

Dear Senators,

Throughout Oregon, tenants like myself and those my organization works with live in fear of rent increases and no-cause evictions. It is imperative that we pass strong rent control measures and protections against no-cause evictions. In doing so, it is important to recognize this law may become a model for rent stabilization measures in other states. That responsibility should be taken seriously. Just as the many positive aspects of this law can become a model for other states, so can its many toxic loopholes and weaknesses. Those loopholes and weaknesses were inserted into the bill by the corporate landlord lobby, with the full intention of enabling landlords to exploit, abuse and displace tenants for the sake of profit. The bill's flaws can and must be corrected if SB 608 is to achieve its vital mission.

There are many badly needed reforms in SB 608: A statewide cap on rent increases to combat price-gouging like the 100% rent increase at the Normandy Apartments which displaced over 5% of Rigler Elementary's students virtually overnight. Vacancy control to disincentivize landlords from trying to drive tenants into self-eviction so they can raise rents for the next tenant (as often happens in vacancy decontrolled cities such as New York and San Francisco). A just-cause evictions standard to protect tenants from no-cause evictions, which landlord often use to discriminate or retaliate against tenants in ways which would otherwise be illegal. And for cases where landlords do evict a tenant for reasons that are not the tenant's fault, a requirement the landlord pay for the cost of displacement.

Unfortunately, the influence of the corporate landlord lobby riddled SB 608 with loopholes. The following changes are needed if the bill is to truly protect the most vulnerable tenants:

- Real rent control

As long as rents are allowed to rise faster than wages, the epidemic of evictions and displacement will continue. The current proposal to allow annual rent increases up to 7% + CPI would likely have allowed the 9.9% rent increase which displaced low-SES immigrants and refugees at Holgate Manor - and will displace even more residents if such rent increases are allowed every year. Annual allowable rent increases should be capped at 3% + CPI. That is a number more in line with the existing "rent control for landlords" built into Oregon's tax law - the law stating that a home's assessed value for property taxes may not rise more than 3% per year.

- Restore local control

The statewide pre-emption on local rent control needs to be repealed, so that local jurisdictions can build on SB 608 with rent control or rent stabilization laws which better reflect the needs of tenants in specific areas.

- Remove the "eviction bonus"

There should be zero exemptions to vacancy control. Period. The landlord lobby loves to claim that an "unintended consequence" of rent control is landlords leaving their buildings to rot. First, that is actually an INTENDED consequence of corporate politicians consistently underfunding housing inspectors at the behest of powerful slumlords.

Second, landlords actually leave buildings to rot as a way of making tenants' lives so miserable that they "voluntarily" move out, enabling landlords to remodel buildings and dramatically raise the rent before the next tenant moves in (the New York Times has published extensive exposes on these practices, including several on how Donald Trump frequently used the practice to try to force elderly tenants out of his buildings). Vacancy control removes the "eviction bonus" which incentivizes this behavior in the first place. This is why it is imperative there be no exemptions to vacancy control in SB 608.

- Relo for all

Under the current draft of SB 608, landlords who own fewer than 5 rental units across the state of Oregon are exempt from having to pay relocation assistance when they give an eviction for a landlord-based reason (i.e. for profit). It is unclear why tenants of "smaller" landlords are assumed to be so rich they can afford to pay moving costs their landlords are pleading poverty on. If a landlord evicts a tenant for a reason that is not the tenant's fault (i.e. for the landlord's convenience or profit), the landlord - not the tenant - should pay for the financial costs of that displacement. The "smaller landlord" exemption also opens a pathway to abuse, because there is no statewide database of which landlord owns which buildings. A landlord who owns 5 rental units across Oregon could easily refuse to pay Relocation Assistance by claiming they only own 4, and it would be extremely difficult for tenants to know if they were lying.

- Relo should reflect actual moving costs

The current draft of SB 608 requires landlords to pay one month's rent as relocation assistance. That barely begins to cover the cost of hiring a moving truck, taking time off work to tour apartments and move, paying first and last month's rent plus security deposit at a new place, and coping with the trauma of eviction and displacement. More than half of adults in the US have under \$1000 in savings (Chicago Tribune, 2/8/18), and many families cannot afford to have these costs sprung on them. Relocation assistance should be set at the equivalent of three months' rent, and should be higher than that for tenants in large apartment complexes (which landlords had to be rich to buy in the first place, and so obviously cannot plead poverty).

- Stop harassing tenants

The current draft of SB 608 allows a landlord to no-cause evict (through refusing to renew the lease) any tenant who has been given three or more "lease violation warnings" in the past year - even if the tenant corrects the problems! Already, far too many landlords threaten to evict tenants over minor lease violations such as keeping "clutter" like a plant or a bike on a balcony, or for having a messy house ("failing to maintain the unit to standards"), or for any number of minor or made-up charges. Such threats are typically used to discriminate or retaliate against tenants in ways which would otherwise be illegal. This provision in SB 608 would actively incentivize such harassment by landlords, as it would give them an avenue to no-cause evict tenants who would otherwise be protected. SB 608's loophole incentivizing landlords to harass tenants is there only because the landlord lobby demanded it. That loophole can and should be removed so that SB 608 can fulfill its vital mission.

- Impact, not "intent"

The current draft of SB 608 allows landlords to give a landlord-based "just cause" eviction if they simply "intend" to sell a rental unit, take that rental unit off the market, or move a family member into it. This loophole is ripe for abuse, as there is no language requiring landlords to actually follow through on those "intentions". The impact of these loopholes is that landlords will inform tenants they "intend" to sell a home or move in a family member, evict the tenant, then turn around and rent the unit to someone else at a higher price. Tenants will have virtually no way to hold landlords accountable for such behavior. If landlords are to claim landlord-based "just cause", they should be required to provide proof to the state government that they are prepared to follow through and register their "just cause" eviction with a state agency. This will enable tenants and the state government to enforce just cause eviction protections and prevent loophole abuse.

I am attaching a copy of the Administrative Rules governing this process for Portland's Mandatory Renter Relocation Assistance law, which provide a model of what such registration and accountability mechanisms could look like. You can also find that document at <https://www.portlandoregon.gov/phb/article/676011>

In summary: Portland Tenants United strongly supports the tenant protections SB 608 claims to provide. But because the current law is so riddled with loopholes, in practice it will leave many of the most vulnerable tenants unprotected. These loopholes exist because the corporate landlord lobby put them there. Tenants are demanding the toxic loopholes be removed, so that SB 608 can be strengthened, passed, and carry out its urgent mission of protecting us from landlord greed.

Thank you for your consideration,

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INTERIM RULE

Title: Mandatory Relocation Assistance Exemption Eligibility and Approval Process

Authority

In accordance with Portland City Code (“PCC”) 30.01.085, PHB is responsible for reviewing any required forms and documentation that are submitted by a Landlord claiming an exemption from the obligation to pay Relocation Assistance. Under Section 30.01.085.I, the Director of PHB, or a designee, is authorized to adopt, amend and repeal administrative rules to carry out and administer the provisions of PCC 30.01.085. Ordinance No. 188849 adopted by Portland City Council on March 7, 2017, authorizes PHB to, notwithstanding Portland Policy Document HOU-5.01, immediately develop and enact interim administrative rules to carry out and administer PCC 30.01.085.

PCC Provision:

30.01.085.G

After a Landlord completes and submits the required exemption reporting forms to PHB, the provisions of this Section 30.01.085 that pertain to Relocation Assistance do not apply to the following:

1. Rental Agreements for week-to-week tenancies;
2. Tenants that occupy the same Dwelling Unit as the Landlord;
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;
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;
5. a Landlord that temporarily rents out the Landlord's principal residence during the Landlord's absence of not more than 3 years;
6. a Landlord that temporarily rents out the Landlord’s principal residence during the Landlord’s absence due to active duty military service;
7. a Dwelling Unit where the Landlord is terminating the Rental Agreement in order for an immediate family member to occupy the Dwelling Unit;
8. a Dwelling Unit regulated as affordable housing by a federal, state or local government for a period of at least 60 years;
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;
10. a Dwelling Unit rendered uninhabitable not due to the action or inaction of a Landlord or Tenant;
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.
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.

A Landlord that authorizes a property manager that is subject to, and manages property in accordance with ORS 696, to manage only one Dwelling Unit, does not waive the one Dwelling Unit exemption as a result of the collective number of Dwelling Units managed by such a property manager. For purposes of the exemptions provided in this Subsection, “Dwelling Unit” is defined by PCC 33.910, and not by ORS 90.100. For purposes of the exemptions provided in this Subsection, “Accessory Dwelling Unit” is defined by PCC 33.205. For purposes of the exemptions provided in this Subsection, “Duplex” is defined by PCC 33.910.

30.01.085.I

In carrying out the provisions of this Section 30.01.085, 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 30.01.085.

Adoption

As provided in PCC 30.01.085 and Ordinance 188849, the Director of the Portland Housing Bureau hereby adopts the administrative rules attached hereto.

Adopted: Signed copy on file at the Housing Bureau
Shannon Callahan, Director

April 12, 2018

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 their Tenant Relocation Assistance if their Tenant is displaced due to non-renewal of lease on substantially the same terms, a rent increase 10% or more over a rolling 12-month period, or no cause eviction. Section 30.01.085.G outlines twelve scenarios under which a Landlord could claim an exemption from the obligation to pay Relocation Assistance. These administrative rules specify the process by which a Landlord may claim an exemption.

II. Definitions

- a. Natural Person - a human being as distinguished from a person (as a corporation) created by operation of law.
- b. Principal Residence – the primary location a person inhabits. It is the Dwelling Unit that is physically occupied and personally used (slept overnight in) 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.

III. Exemption Eligibility and Approval Process

A Landlord is only exempt from mandatory relocation assistance requirements as outlined in Portland City Code if the Landlord meets the following requirements:

- 1. meet the criteria for an exemption listed in Section 30.01.085.G;
- 2. file the required form(s) with the Portland Housing Bureau (“PHB”)
- 3. receive an acknowledgment letter from PHB (the “Acknowledgement Letter”)
- 4. Provides a copy of the exemption Acknowledgement Letter to the Tenant prior to one of the following actions (“Triggering Relocation Assistance”):
 - a. Issuing an Increase Notice;
 - b. Issuing a Termination Notice;
 - c. Declining to renew or replace an expiring Rental Agreement; or
 - d. Declining to renew or replace an expiring Rental Agreement on substantially the same terms except for the amount of Rent or Associated Housing Costs.

The following are the required forms for each of the exemptions in Section 30.01.085.G. The Acknowledgement for the listed exemptions expires after a Landlord uses the exemption to do the following unless otherwise specified:

- Issuing an Increase Notice;
- Issuing 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.

| Exemption | Required Form | Additional Stipulations |
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| 1. Rental Agreement for week-to-week tenancies | <i>A Landlord is not required to submit a REA form for this exemption.</i> | |

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| <p>2. Tenants that occupy the same Dwelling Unit as the Landlord</p> | <p><i>A Landlord is not required to submit a REA form for this exemption.</i></p> | <ul style="list-style-type: none"> • This exemption stands as long as the Landlord uses the exempted Dwelling Unit as their Principal Residence for the 6 months prior to Triggering Relocation Assistance. |
| <p>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</p> | <p>Relocation Assistance Exemption (REA) Form</p> | <ul style="list-style-type: none"> • This exemption stands as long as the Landlord's Principal Residence is the second Dwelling Unit in the same Duplex as the exempted Dwelling Unit for the 6 months prior to Triggering Relocation Assistance. • For Rental Agreements beginning after March 8, 2018 the Landlord must provide a copy of the Acknowledgement Letter to the Tenant prior to the Tenant entering into a Rental Agreement. |
| <p>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</p> | <p>Relocation Assistance Exemption (REA) Form</p> | <ul style="list-style-type: none"> • This exemption stands as long as the Landlord's Principal Residence is on the same site as the exempted Dwelling Unit for the 6 months prior to Triggering Relocation Assistance. • For Rental Agreements beginning after March 8, 2018 the Landlord must provide a copy of the Acknowledgement Letter to the Tenant prior to the Tenant entering into a Rental Agreement. |
| <p>5. A Landlord that temporarily rents out the Landlord's principal residence during the Landlord's absence of not more than 3 years</p> | <p>Relocation Assistance Exemption (REA) Form</p> | <ul style="list-style-type: none"> • A Landlord may not file for this exemption more than once every 36 months. • The Landlord must be a Natural Person to claim this exemption. • A Landlord must move into the Dwelling Unit within 60 days of the Tenant moving out. The Dwelling Unit must become the Landlord's Principal Residence for 12-months after moving in or be sold. • This exemption only applies if the Landlord is issuing a No Cause Eviction. • This exemption only applies to a Landlord with an ownership interest in 4 or less units. • For Rental Agreements beginning after March 8, 2018 the Landlord must provide a copy of the Acknowledgement Letter to the Tenant entering into a Rental Agreement. |

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| <p>6. A Landlord that temporarily rents out the Landlord's principal residence during the Landlord's absence due to active duty military service</p> | <p>Relocation Assistance Exemption (REA) Form</p> | <ul style="list-style-type: none"> • A Landlord must move into the Dwelling Unit within 60 days of the Tenant moving out. The Dwelling Unit must become the Landlord's Principal Residence. • This exemption only applies if the Landlord is issuing a No Cause Eviction. |
| <p>7. A Dwelling Unit where the Landlord is terminating the Rental Agreement in order for an immediate family member to occupy the Dwelling Unit;</p> | <p>Relocation Assistance Exemption (REA) Form</p> | <ul style="list-style-type: none"> • A Landlord may not file for this exemption more than once every 36 months per Dwelling Unit. • The immediate family member cannot be an owner, or have been an owner in the past 12 months, of the Dwelling Unit. • The Landlord cannot live in the unit during the 24 months after the exemption is used. • The Landlord must be a Natural Person to claim this exemption. • The designated immediate family member must move into the Dwelling Unit within 60 days of the Tenant moving out. The Dwelling Unit must become the immediate family member's Principal Residence. The immediate family member must have the intent to reside in the Dwelling Unit for the 24-months after moving in. • This exemption only applies if the Landlord is issuing a No Cause Eviction. • This exemption only applies to a Landlord with an ownership interest in 4 or less units. |
| <p>8. A Dwelling Unit regulated as affordable housing by a federal, state or local government for a period of at least 60 years</p> | <p><i>A Landlord is not required to submit a REA form for this exemption</i></p> | |
| <p>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</p> | <p><i>A Landlord is not required to submit a REA form for this exemption.</i></p> | |
| <p>10. A Dwelling Unit rendered uninhabitable not due to the action or inaction of a Landlord or Tenant</p> | <p><i>A Landlord is not required to submit a REA form for this exemption.</i></p> | <ul style="list-style-type: none"> • 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) are considered under this exemption. |

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| <p>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.</p> | <p>Relocation Assistance Exemption (REA) Form</p> | |
| <p>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</p> | <p>Relocation Assistance Exemption (REA) Form</p> | <ul style="list-style-type: none"> • A Landlord must notify their Tenant prior to occupancy in writing. • A Landlord must sell 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. • This exemption only applies if the Landlord is issuing a No Cause Eviction. • Use of this exemption permanently prevents the Dwelling Unit from being eligible for any other exemption. • This exemption will expire 24-months after an Acknowledgement Letter is issued. |

IV. Responsibility

PHB Bureau is responsible for managing and implementing this rule.

V. History

Date adopted: **March 8, 2018**

Date effective: **March 8, 2018**

Date amended: **April 12, 2018**