



Eugene City Council

101 W 10th Ave., Suite 203
Eugene, OR 97401
541-682-5010 • 541-682-5414 Fax
www.eugene-or.gov

EUGENE CITY COUNCIL AGENDA AMENDED

June 28, 2023

12:00 p.m. CITY COUNCIL WORK SESSION

City Council meetings will continue to be held in hybrid format using in person and virtual meeting technology. Information about online or other options for access and participation will be available at <https://www.eugene-or.gov/3360/Webcasts-and-Meeting-Materials>

Note: this agenda has been amended to add the continuation of the June 26, 2023 Work Session on Renters Protections Phase II.

Meeting of June 28, 2023; Her Honor Mayor Lucy Vinis Presiding

Councilors

Randy Groves, President
Alan Zelenka
Greg Evans
Emily Semple

Matt Keating, Vice President
Jennifer Yeh
Mike Clark
Lyndsie Leech

12:00 p.m. CITY COUNCIL WORK SESSION

- 1. WORK SESSION: Renters Protections Phase II**
- 2. WORK SESSION: Financial Condition and Revenue Update**

The Eugene City Council welcomes your interest in these agenda items. This meeting location is wheelchair-accessible. For the hearing impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. Spanish-language interpretation will also be provided with 48 hours' notice. To arrange for these services, contact the receptionist at 541-682-5010. City Council meetings are telecast live on Metro Television, Comcast channel 21, and rebroadcast later in the week.

El consejo de la Ciudad de Eugene agradece su interés en estos asuntos de la agenda. El lugar de la reunión tiene acceso para sillas de ruedas. Se puede proveer a un intérprete para las personas con discapacidad auditiva si avisa con 48 horas de anticipación. También se puede proveer interpretación para español si avisa con 48 horas de anticipación. Para reservar estos servicios llame al 541-682-5010. Las reuniones del consejo de la ciudad se transmiten en vivo por Metro Television, Canal 21 de Comcast y son retransmitidas durante la semana.

For more information, contact the Council Coordinator at 541-682-5010,
or visit us online at www.eugene-or.gov.

June 28, 2023 Work Session

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Renters Protections Phase II

Meeting Date: June 28, 2023
Department: Planning & Development
www.eugene-or.gov

Agenda Item Number: 1
Staff Contact: Amy Cameron
Contact Telephone Number: 541-682-5383

ISSUE STATEMENT

The purpose of this work session is to have the second of a two-part discussion on the draft Phase II Renter Protections Ordinance amending sections 8.405, 8.415, 8.425, and 8.440 of the Eugene Code, 1971 and adding sections 8.437 and 8.445 to that code. At this work session, Council will have the opportunity to provide direction on further refinement of the draft Ordinance, if any, to bring back to Council for consideration. This Agenda Item Summary has the same content as the June 21, 2023 work session Agenda Item Summary.

BACKGROUND

On [March 13, 2023](#), Council held a Public Hearing regarding a draft Phase II Renter Protections Ordinance that limits deposits, requires that landlords process applications in the order received, and requires that landlords provide tenants with relocation assistance under certain circumstances. These items are identified as 6, 7 and 8 in Attachment D, the Renter Protections Roadmap. The draft Ordinance that was the subject of the Council's March 13 public hearing is in Attachment A to this AIS.

Based on the feedback received to date, Council is asked to provide policy direction on the triggers for relocation assistance, the amount of relocation assistance payments, exemptions from relocation assistance requirements, and whether the Ordinance should include a small landlord compensation fund. The Relocation Assistance Decision Guide in Attachment B to this AIS includes a series of key questions and considerations based on public comment received regarding key aspects of relocation assistance. This AIS includes a series of motions Council may use to provide direction on revisions to the relocation assistance portions of the draft Ordinance.

Additionally, in response to public comment and based on additional consideration of the practical effects of the draft Ordinance, Council could consider a set of proposed technical and procedural adjustments that would do the following: increase the additional security deposit that a landlord may charge in order to rent a unit to a tenant with risk factors from ½ month's rent to one month's rent; decrease the additional time applicants with limited English language proficiency may have to fill out a rental application without losing their place in line from 72 hours to 24 hours; define "repeated violations" as "three or more verified violations in the preceding 12 months"; allow individuals who have been evicted to file complaints about eviction reporting violations; define the types of eviction notices landlords are required to report; and

allow communications about certain violations of the Rental Housing Code to be made by phone or email or in person instead of only by mail. These proposed changes and other technical revisions are discussed in more detail in the administrative and programmatic package in Attachment C to this AIS. Motion A in this AIS directs the City Manager to include the administrative and programmatic items in Attachment C in the draft ordinance.

Summary of Phase II Protections

Roadmap Item 6 – Limit deposits. The draft Ordinance generally limits security deposits to a maximum of two times a rental unit's monthly rent. The Ordinance defines “security deposits” as “a refundable payment or deposit of money, however designated, the primary function of which is to secure the performance of a rental agreement or any part of a rental agreement.” This includes traditional security deposits, but also cleaning and last month's rent deposits. The draft Ordinance allows landlords to collect additional security deposits (more than two times the monthly rent) under the following circumstances: a) a deposit of up to one-half of one month's rent, if a landlord rents a unit to an applicant with certain risk factors, and b) a deposit of up to one month's rent, if after the first year, the landlord and tenant agree to modify the lease (for example, to allow another tenant) and the new or increased deposit is related to the lease modification, as allowed by the Oregon Residential Landlord Tenant Act (ORLTA). The draft Ordinance in Attachment A provides that the landlord must allow the tenant at least three months to pay the additional deposit(s). The Ordinance does not regulate the timing or amount of pet deposits.

Roadmap Item 7 – Process applications in the order received. The draft Ordinance requires landlords to process applications for publicly advertised rental housing units on a first-come, first-served basis, except for applications for the following units: a) Affordable Housing units, b) rental units occupied by both the landlord and tenant, c) middle housing units when the landlord resides in another middle housing unit on the same lot or parcel, d) accessory dwelling units (ADUs) where the landlord's principal residence is on the same lot or parcel as the ADU or where the landlord occupies the ADU on the same lot or parcel as the tenant, e) a dwelling unit that will be shared with an existing tenant who has a separate agreement for the dwelling unit, and f) a dwelling unit not advertised or rented to the general public. The draft Ordinance allows a person with limited English proficiency to request up to 72 hours of additional time to use or obtain language assistance services or resources to complete their application.

Enforcement. As directed by Council, the draft Ordinance also includes language requiring eviction data reporting by landlords and provides enforcement measures if landlords do not report eviction data. Currently, methods of tracking local evictions are anecdotal, only represent a portion of all evictions, or require significant investment in time to collect and analyze. Real time eviction data collection will help inform policy decisions.

Roadmap Item 8 – Relocation Assistance under certain circumstances. The draft Ordinance requires landlords to pay relocation assistance to a tenant when the landlord initiates certain triggering events. As previously discussed with Council, the draft language for relocation assistance is primarily based on Portland's relocation assistance program with the expectation that Council would make modifications as needed following the March 13, 2023, public hearing.

The relocation assistance triggers, payment amount, and exemptions currently included in the draft Ordinance are described in the Decision Guide (Attachment B).

Updated Roadmap and Additional Information

The current Renter Protections Roadmap in Attachment D shows summary information on anticipated impact, funding needs and sources, implementation, and enforcement for Phase II items. A Guide to the Roadmap is included in Attachment E with more information. An FAQ on renter protections is in Attachment H.

Public Outreach

Staff received a great deal of input on the proposed Phase II Renter Protection ordinance. Community members received information on the Renter Protections process via the Renter Protection Interested Parties list, the Rental Housing Code contact list, and through updates on the Renter Protection and Rental Housing Code webpages. Staff also provided information about the proposed Renter Protections and the Council process to existing advocacy and membership groups for both renters and landlords, requesting that they help distribute this information as broadly as possible. Staff met with advocates for landlords and tenants and held facilitated listening sessions in Fall 2022 to hear input on Phase II Renter Protections.

Housing Policy Board

Housing Policy Board (HPB) has been involved in the Renter Protection process since HPB first formed a task team in 2018 to learn more about market conditions impacting renters. HPB's work resulted in a set of recommendations in 2021 that were the basis for Council's selection of the items in the Roadmap in Attachment D. HPB met seven times in 2022 and 2023, to primarily discuss relocation assistance. HPB did not consider relocation assistance in its 2021 deliberations due to litigation processes that were underway at the time regarding the Portland Mandatory Relocation Assistance Ordinance, which later concluded in 2022. On March 6, 2023, HPB finalized their recommendations to Council on relocation assistance, which are included in Attachment F.

Potential Next Steps

If Council has interest in moving forward with the Phase II Renter Protections Ordinance and provides direction via motion, staff will return with a revised draft Ordinance for action. For Phase III, staff will conduct the needed additional analysis and return with an updated roadmap for Council direction after Council has concluded Phase II action.

RELATED CITY POLICIES

Housing Implementation Pipeline (HIP) Connection. Renter protections that work toward neighborhood stabilization and allow residents to stay in their changing neighborhoods, is a direct form of anti-displacement policy. Enhancing renter protections is identified as one of the anti-displacement actions in the High Priority Policies and Programs section of the [Housing Implementation Pipeline \(HIP\)](#). The HIP is the 5-year internal work plan to coordinate current and future resources, goals, and priorities with a systems-thinking approach to housing across the full spectrum from people experiencing homelessness to overall housing supply.

PREVIOUS COUNCIL DIRECTION

[February 21, 2017 Work Session](#)

Council received a presentation from staff about the status of rental housing in Eugene. Council directed staff to conduct additional research and return with more information at a future work session.

[March 13, 2019 Work Session](#)

Council received a follow-up presentation from staff with information on the status of the Eugene rental market, experiences of Eugene renters, issues related to rental housing, and state legislation related to renter protections. Council directed staff to come back with more data as well as recommendations on ways to increase rental housing stability, access, and affordability.

[November 22, 2021 Work Session](#)

Council directed the City Manager to come back in the first quarter of 2022 with information about the feasibility and resources needed to implement renter protections consistent with the Housing Policy Board recommendations plus the other renter protections discussed during the meeting.

[March 16, 2022 Work Session](#)

Council directed the City Manager to schedule a public hearing prior to Council's summer break and action on the protections included in Phase I as described in the AIS and to include protection #8 *[in the roadmap for that work session]*, a cap of \$10 on application and screening fees, into Phase I. Council also directed staff to provide Council with actionable information on items in Phase II by November 1, 2022 and Phase III by February 1, 2023. *[At the October 24, 2022 work session, the timing for Phase III information was adjusted to enable the Phase II public hearing to occur sooner.]*

[July 11, 2022 Meeting](#)

Council approved Ordinance 20670 for Phase I Renter Protections: support services, required move-in/out documentation, access to rental history, dissemination of tenant educational information, and a cap on applicant screening fees.

[October 24, 2022 Work Session](#)

Council directed the City Manager to bring back an Ordinance limiting the amount of deposits a landlord may charge; requiring that applications be processed in the order they are received; providing for additional enforcement options for violations of the screening fee cap *[not currently applicable due to the Circuit Court January 2023 ruling]*; and requiring eviction data reporting and providing for enforcement. Additionally, requiring landlords to provide relocation assistance *[which at the time was referred to as displacement prevention assistance]* in the amount equal to three times the current market rate rent published by HUD when either 1) the tenant is no-cause evicted or 2) the tenant rent is increased by five percent or more in a twelve month period and the tenant chooses to move rather than pay the increased rate, and create a small landlord compensation fund for landlords that earn less than 80 percent of area median income.

COUNCIL OPTIONS

1. Direct the City Manager to revise the draft Ordinance with the items in the administrative and programmatic package in Attachment C (motion A), provide the City Manager with direction via motion on some or all of the relocation assistance policy questions in the decision guide (Attachment B), and direct the City Manager to schedule a date for Council to take action on the revised draft Ordinance.
2. Leave the draft Ordinance as written and direct the City Manager to schedule a date for Council to take action on the draft Ordinance.
3. Take no action.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends Option 1.

POTENTIAL MOTIONS

A. Administrative and Programmatic Package:

Move to direct the City Manager to revise the draft Ordinance with the items in the administrative and programmatic package in Attachment C.

B. Relocation Assistance –Triggers:

B.1. Move to direct the City Manager to revise the draft Ordinance to remove the following relocation assistance trigger(s) _____.

B.2. Move to direct the City Manager to revise the draft Ordinance to require relocation assistance when rent is increased by more than ____% in a 12-month period.

C. Relocation Assistance – Payment Amount:

Move to direct the City Manager to revise the draft Ordinance to set the relocation assistance payment amount at _____.

D. Relocation Assistance – Small Landlord Compensation Fund & Exemptions:

D.1. Move to direct the City Manager to revise the draft Ordinance to remove the small landlord compensation fund.

D.2. Move to direct the City Manager to revise the draft Ordinance to remove the following exemptions from the requirements for relocation assistance _____.

D.3. Move to direct the City Manager to amend the draft Ordinance to exempt Affordable Housing from all relocation assistance requirements.

ATTACHMENTS

- A. Draft Ordinance: An Ordinance Concerning Rental Housing; Amending Sections 8.405, 8.415, 8.425, 8.430, And 8.440 Of The Eugene Code, 1971; And Adding Sections 8.437 And 8.445 To That Code.
- B. Relocation Assistance Decision Guide for Motions B through D
- C. Administrative & Programmatic Package for Motion A
- D. Draft Renter Protections Roadmap
- E. Guide to the Roadmap
- F. Housing Policy Board Relocation Assistance Recommendations
- G. State Law Related to Phase II Renter Protections
- H. Renter Protections Frequently Asked Questions

FOR MORE INFORMATION

Staff Contact: Amy Cameron, Rental Housing Navigator
Telephone: 541-682-5383
Staff E-Mail: acameron@eugene-or.gov

EUGENE CITY COUNCIL NOTICE OF PUBLIC HEARING

On Monday, March 13, 2023, at 5:30 p.m., the Eugene City Council will conduct a public hearing on the following ordinance:

AN ORDINANCE CONCERNING RENTAL HOUSING; AMENDING SECTIONS 8.405, 8.415, 8.425, 8.430, AND 8.440 OF THE EUGENE CODE, 1971; AND ADDING SECTIONS 8.437 AND 8.445 TO THAT CODE.

As our state and community recover from the COVID-19 pandemic, this public hearing will be held in-person and remotely using virtual meeting technology. Information about online or other options for participation will be available by 5 p.m. on March 10, 2023, at <https://www.eugene-or.gov/3360/Webcasts-and-Meeting-Materials>. Written testimony may be sent to mayorcouncilandcitymanager@eugene-or.gov or to Eugene City Manager's Office, 101 West 10th Avenue, Suite 203, Eugene, OR 97401. Written testimony must be received by Monday, March 13, 2023, at 5 p.m.

This ordinance is posted on the City of Eugene website at <http://www.eugene-or.gov> and is also available by calling the City Manager's Office at 541-682-5010.

Notice posted on Sunday February 26, 2023.

ORDINANCE NO. _____

AN ORDINANCE CONCERNING RENTAL HOUSING; AMENDING SECTIONS 8.405, 8.415, 8.425, 8.430, AND 8.440 OF THE EUGENE CODE, 1971; AND ADDING SECTIONS 8.437 AND 8.445 TO THAT CODE.

THE CITY OF EUGENE DOES ORDAIN AS FOLLOWS:

Section 1. Section 8.405 of the Eugene Code, 1971, is amended to provide as follows:

8.405 Rental Housing – Purpose.

The purpose of this City Rental Housing Code is to provide minimum habitability criteria to safeguard health, property and public wellbeing of the owners, occupants and users of rental housing and ***to provide certain renter protections. The City Rental Housing Code*** is intended to supplement rather than conflict with the State of Oregon Residential Landlord and Tenant Act.

Section 2. Section 8.415 of the Eugene Code, 1971, is amended by adding the definitions of “Affordable Housing”; “Immediate Family Member”; “Materially Incomplete Application”; “Meaningful Access”; “Open Application Period”; “Pet Deposit”; “Rent”; “Screening or Admission Criteria”; “Small Landlord”; and “Substantial Change to Rental Agreement” to the list of definitions in alphabetical order, and amending the definition of “Security Deposit” to provide as follows:

8.415 Rental Housing – Definitions.

For purposes of sections 8.400 through 8.440 of this code, the following words and phrases mean:

Affordable Housing. Housing that is guaranteed to be affordable, under guidelines established by the United States Department of Housing and Urban Development, to households that earn no more than 80 percent of the median household income for the city of Eugene, for a period of at least 20 years; or housing for low-income persons that is eligible for an exemption from systems development charges pursuant to section 7.725(2) of this code.

Immediate Family Member. A parent, foster parent, stepparent, parent-in-law, sibling, foster sibling, step-sibling, sibling-in-law, grandparent, grandparent-in-law, child, stepchild, foster child, or grandchild that has reached the age of majority (18) or is a legally recognized emancipated minor.

Materially Incomplete Application. A rental housing application that does not include the information and supporting documentation required by a landlord to conduct an application screening pursuant to the landlord’s adopted screening or admission criteria.

Meaningful Access. *The ability of a person with limited English language proficiency to use or obtain language assistance services or resources to understand and communicate effectively, including but not limited to translation or interpretation services.*

Open Application Period. *The period of time during which a landlord will accept rental housing applications for a publicly advertised dwelling unit.*

Pet Deposit. *A refundable payment or deposit of money, however designated, the primary function of which is to secure the performance of a term of a rental agreement or any part of a rental agreement by a tenant who keeps a pet in the dwelling unit that is the subject of the rental agreement.*

Rent. *Any payment to be made to the landlord under the rental agreement, periodic or otherwise, in exchange for the right of a tenant and any permitted pet to occupy a dwelling unit to the exclusion of others and to use the premises. "Rent" does not include security deposits, fees, or utility or service charges as described in this City Rental Housing Code or ORS Chapter 90.*

Screening or Admission Criteria. *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.*

Security Deposit. *A refundable payment or deposit of money, however designated, the primary function of which is to secure the performance of a rental agreement or any part of a rental agreement. As used in this City Rental Housing Code, a pet deposit is not considered a security deposit.*

Small Landlord. *A landlord who is a natural person with an annual household income at or below 80% area median income as defined by the United States Department of Housing and Urban Development, and who owns four or fewer rental housing units, including units owned through legal entities.*

Substantial Change to the Rental Agreement. *A change of terms from those included in a prior rental agreement between a landlord and tenant that substantially disadvantages the tenant, and the landlord does not provide for a commensurate decrease in rent. Examples of substantial changes to a rental agreement include, but are not limited to: tenant responsibility for payment of utilities previously included in the monthly rent; tenant responsibility for payment for a parking spot previously included in the monthly rent; landlord no longer allowing pets to occupy the dwelling unit; reduction of space available for tenant use; reduction of amenities available for tenant use; and removal of furnishings from furnished units.*

Section 3. Section 8.425 of the Eugene Code, 1971, is amended by renumbering subsections (15) and (16) as subsections (20) and (21) respectively, and adding new subsections (15), (16), (17), (18) and (19) to provide as follows:

8.425 Rental Housing – Standards and Protections.

(15) Maximum Security Deposit. If a landlord requires a security deposit as a condition of tenancy:

(a) Except as provided in subsections (b), (c) and (e) of this subsection (15), a landlord may not collect a security deposit that exceeds an amount equal to two months' rent for the dwelling unit.

(b) Notwithstanding subsection (a) of this subsection (15), a landlord may require additional security deposits, consistent with the requirements of ORS 90.300(5). Except as provided in subsection (e) of this subsection (15), the additional security deposit authorized by this subsection (b) may not exceed an amount equal to one month's rent for the dwelling unit.

(c) Notwithstanding subsection (a) of this subsection (15), a landlord may require an additional security deposit if the landlord enters into a rental agreement with a tenant whose rental housing application the landlord could have denied pursuant to ORS 90.304. The additional security deposit authorized by this subsection (c) may not exceed an amount equal to one half of one month's rent for the dwelling unit.

(d) If a landlord requires an additional security deposit authorized by subsections (b) or (c) of this subsection (15), the landlord must allow the tenant at least three months to pay the additional security deposit.

(e) In addition to the security deposits authorized by subsections (a) through (c) of this subsection (15), a landlord may collect a pet deposit that is consistent with the requirements of ORS 90.300.

(16) Applications Processed in Order Received.

(a) If a landlord advertises the availability of a dwelling unit, the landlord must specify in the notice advertising the dwelling unit the date and time that the landlord will begin accepting rental application as well as the open application period. The notice must also inform applicants of the ability to request additional time to ensure that applicants have meaningful access to the rental housing application. The notice may provide an address, website address, internet link, or other written method of communicating information to prospective tenants.

(b) A landlord must digitally or manually record the date and time of receipt of each rental housing application received during an open application period. If a rental housing application is received by a landlord prior to the start of the open application period, the landlord must digitally or manually record the date and time of receipt of that application as 8 hours after the start of the open application period.

- (c) A landlord may simultaneously process multiple rental housing applications, but must accept, conditionally accept, or deny rental housing applications in order of receipt.**
- (d) If a landlord maintains a waitlist for filling available dwelling units instead of advertising the availability of dwelling units and using an open application period, the landlord must add applicant names to the waitlist in order of receipt.**
- (e) When members of a waitlist apply for a vacancy, a landlord may simultaneously process multiple rental housing applications but must accept, conditionally accept, or deny rental housing applications in order of receipt.**
- (f) If an applicant requires additional time to ensure meaningful access to a rental housing application, the applicant may submit a request for additional time to the landlord. The landlord must document the date and time of the landlord's receipt of the request for additional time. If the applicant submits a rental housing application within 72 hours from the time of submission of a request for additional time, the date and time of the request for additional time will serve as the date and time of receipt of the rental housing application for purposes of determining the order in which applications are received.**
- (g) Upon request by an applicant, a landlord must notify the applicant of the applicant's position in line for a particular dwelling unit.**
- (h) A landlord must offer tenancy to the first qualified applicant who provides a rental housing application. If that applicant does not accept the offer of tenancy within 48 hours of the time the offer is made, the landlord must review the rental housing applications in order of receipt and make an offer of tenancy to the next qualified applicant who provided a rental housing application. The landlord must repeat this process until an applicant accepts the offer of tenancy.**
- (i) A landlord may refuse to process rental housing applications that are:**
- 1. Materially incomplete; or**
 - 2. Submitted by an applicant who has repeatedly violated a rental agreement with the landlord during the 12-month period preceding the date of the application, and the landlord can provide documentation of the violations.**
- (j) Subsections (a) through (i) of this subsection (16) do not apply to rental housing applications for the following types of dwelling units:**
- 1. Affordable housing;**
 - 2. A dwelling unit occupied by both the landlord and tenant;**
 - 3. A unit of middle housing when the landlord's principal residence is another unit of middle housing on the same lot or parcel;**

4. *An accessory dwelling unit located on the same lot or parcel as the landlord's principal residence, or a dwelling unit where the landlord occupies the accessory dwelling unit on the same lot or parcel;*

5. *A dwelling unit that will be shared with an existing tenant who has a separate rental agreement for the dwelling unit; and*

6. *A dwelling unit not advertised or rented to the general public.*

(k) Nothing in this subsection (16) diminishes or otherwise affects any duty of a landlord under federal, state, or local law to grant a reasonable accommodation to an individual with a disability.

(17) Relocation Assistance.

(a) Except those for landlords and tenancies exempt from payment of relocation assistance as provided in subsections (m) and (n) of this section (17), a landlord must comply with the relocation assistance requirements in subsections (b) and (c) of this subsection (17) if the landlord terminates a rental agreement pursuant to ORS 90.427:

1. *Without cause during the first year of occupancy; or*

2. *Because the landlord has a qualifying reason for termination.*

(b) Prior to the termination of a rental agreement pursuant to subsection (a) of this subsection (17), a landlord must deliver a written notice of termination of the rental agreement to each affected tenant. The termination notice must be delivered to the tenant at least 90 days before the termination date designated in the notice.

(c) Not less than 45 days prior to the termination date in the notice of termination required by subsection (b) of this subsection (17), the landlord must pay the tenant, as relocation assistance, an amount set by the city manager pursuant to EC 2.019 that is not less than three times the current fair market rent published by the United States Department of Housing and Urban Development. The relocation assistance required by this subsection applies per dwelling unit and not per each individual tenant.

(d) A landlord who declines to renew or replace an expiring rental agreement or conditions renewal or replacement of an expiring rental agreement on a tenant's agreement to a substantial change to the rental agreement must provide the termination notice and pay the relocation assistance required by subsections (b) and (c) of this subsection (17).

(e) Except for those landlords and tenancies exempt from payment of relocation assistance as provided in subsections (m) and (n) of this section (17), a landlord may not increase a tenant's rent by 5 percent or more over a rolling 12-month period unless the landlord delivers a written notice of rent increase to each affected tenant at least 90 days before the date of the rent increase designated in the notice. The notice must specify the amount of the new rent, the amount by

which the rent will increase, the percentage increase, and the date the increase becomes effective. Expiration of rent concessions specified in a rental agreement is not considered a rent increase for purposes of this subsection (e).

(f) A tenant who receives the notice of rent increase required by subsection (e) of this subsection (17), may, within 30 days of the date of the notice, request relocation assistance from the landlord in writing.

(g) If a tenant requests relocation assistance pursuant to subsection (f) of this subsection (17), the landlord must pay the tenant, as relocation assistance, an amount set by the city manager pursuant to EC 2.019 that is not less than three times the current fair market rent published by the United States Department of Housing and Urban Development. The landlord must pay the relocation assistance required by this subsection (g) at least 45 days prior to the date of the rent increase in the rent increase notice required by subsection (e) of this subsection (17). The relocation assistance required by this subsection (g) applies per dwelling unit and not per each individual tenant.

(h) A Landlord who conditions the renewal or replacement of an expiring rental agreement on the tenant's agreement to pay a rent increase of 5 percent or more within a rolling 12-month period is subject to the notice and relocation assistance requirements of subsections (e) through (g) of this subsection (17).

(i) A tenant who receives relocation assistance pursuant to subsections (e) through (h) of this subsection (17) must, within 45 days of the date of receipt of the relocation assistance, either:

- 1. Provide the landlord with written notice of termination of the rental agreement; or*
- 2. Repay the relocation assistance to the landlord and remain in the dwelling unit, subject to the increased rent as provided in the rent increase notice required by subsection (e) of this subsection (17).*

(j) A tenant may only receive relocation assistance once per tenancy per dwelling unit. Receipt and subsequent repayment of relocation assistance pursuant to subsection (i)2. of this subsection (17) does not count as receipt of relocation assistance for purposes of this subsection (j).

(k) Every termination notice provided pursuant to subsection (b) of this subsection (17), rent increase notice provided pursuant to subsection (e) of this subsection (17), and relocation assistance payment provided pursuant to subsections (c) or (g) of this subsection (17) must include:

- 1. The amount of relocation assistance for which the tenant is eligible; and*
- 2. A description, on a form approved by the city manager, of the tenant's rights and obligations under this subsection (17).*

(l) Within 60 days of payment of relocation assistance pursuant to this subsection (17), a landlord must report the payment to the city using a form approved by the city manager.

(m) The following tenancies are exempt from the relocation assistance requirements of this subsection (17) as long as the landlord complies with the requirements of subsection (n) of this subsection (17):

- 1. Week-to-week tenancies;**
- 2. Occupancy of the same dwelling unit by the landlord and tenant where the landlord occupies the dwelling unit as the landlord's principal residence for at least six months prior to:**
 - a. Termination of a rental agreement as provided in subsection (a) of this subsection (17);**
 - b. Failure to renew or replace a rental agreement as provided in subsection (d) or (h) of this subsection (17); or**
 - c. A rent increase as provided in subsection (e) of this subsection (17);**
- 3. Tenants that occupy one unit of middle housing when the landlord's principal residence is another unit of middle housing on the same lot or parcel and the landlord occupies the unit of middle housing as the landlord's principal residence for at least six months prior to:**
 - a. Termination of a rental agreement as provided in subsection (a) of this subsection (17);**
 - b. Failure to renew or replace a rental agreement as provided in subsection (d) or (h) of this subsection (17); or**
 - c. A rent increase as provided in subsection (e) of this subsection (17);**
- 4. Tenancies where a tenant occupies an accessory dwelling unit and the landlord's principal residence is located on the same lot or parcel, or tenancies where the landlord occupies the accessory dwelling unit and the tenant occupies a dwelling unit on the same lot or parcel; and the landlord occupies the dwelling unit or accessory dwelling unit as the landlord's principal residence for at least six months prior to:**
 - a. Termination of a rental agreement as provided in subsection (a) of this subsection (17);**
 - c. Failure to renew or replace a rental agreement as provided in subsection (d) or (h) of this subsection (17); or**

- c. *A rent increase as provided in subsection (e) of this subsection (17);*
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. *Termination of a rental agreement by the landlord in order for the landlord's immediate family member, who is not an owner of the dwelling unit, or the spouse, or domestic partner of an owner of the dwelling unit, to occupy the dwelling unit;*
8. *A rent increase or termination of tenancy for a unit of affordable housing;*
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 immediately uninhabitable not due to the action or inaction of a landlord or tenant;*
11. *A dwelling unit rented for a period of less than 6 months with appropriate verification of the submission of a demolition permit prior to the execution of the rental agreement;*
12. *A dwelling unit subject to a fixed term tenancy where the landlord's intent to sell or permanently convert the dwelling unit to a use other than as a dwelling unit is a term of the executed rental agreement.*
- (n) *In order to qualify for an exemption from the relocation assistance requirements of this subsection (17), a landlord must:*
 1. *For the exemptions specified in subsections (m)1., (m)5., (m)6., (m)8., (m)11. and (m)12. of this subsection (17), no later than the time of execution of the rental agreement, the landlord must provide each tenant who is a party to the rental agreement with a written notice, on a form approved by the city manager, that the tenancy is exempt from relocation assistance.*
 2. *For the exemptions specified in (m)2., (m)3., and (m)4. of this subsection (17), where the landlord is living in the dwelling unit or on the lot or parcel at the time of execution of the rental agreement, no later than the time of execution of the rental agreement the landlord must provide each tenant who is a party to the rental agreement with a written notice, on a form approved by the city manager, that the tenancy is exempt from relocation assistance.*

3. *For the exemptions specified in (m)2., (m)3., and (m)4. of this subsection (17), if the landlord moves into the dwelling unit or onto the lot or parcel during the term of the rental agreement, within 30 days of occupying the dwelling unit or the lot or parcel, the landlord must provide each tenant who is a party to the rental agreement with a written notice, on a form approved by the city manager, that the tenancy will be exempt from relocation assistance once the landlord has occupied a dwelling unit on the lot or parcel as the landlord's principal residence for at least six months.*

4. *For the exemptions specified in (m)7., (m)9., and (m)10. of this subsection (17), at the same time that the landlord provides the termination notice required by subsection (b) of this subsection (17), the landlord must provide each tenant who is a party to the rental agreement with a written notice, on a form approved by the city manager, that the tenancy is exempt from relocation assistance.*

5. *Except as provided in subsection (17)(n)6., within 30 days of the date landlord provides the notice of exemption from relocation assistance required by subsections (n)1., (n)2., (n)3., and (n)4. of this subsection (17), a landlord must submit to the city a notice of relocation assistance exemption on a form approved by the city manager.*

6. *A landlord that is exempt from payment of relocation assistance for a rent increase or termination of tenancy for a unit of affordable housing pursuant to subsection (17)(m)8. must provide tenants with the notice of exemption from relocation assistance required by subsection (17)(n)1. but need not submit the notice of relocation assistance exemption described in subsection (17)(n)5. to the city.*

(o) *A landlord required to pay relocation assistance pursuant to subsections (c) or (g) of this subsection (17) may subtract from the amount of relocation assistance required by those subsections any amount paid by the landlord to the tenant pursuant to ORS 90.427(6).*

(18) Termination of Tenancy – Reporting.

(a) *Except as provided in subsection (b) of this subsection (18), a landlord shall report to the city, on a form approved by the city manager, all of the following:*

1. *A written notice of termination of a rental agreement delivered to the tenant. The landlord shall provide the city with a copy of the notice.*

2. *A tenant who vacates a dwelling unit on or before the date indicated in a written termination notice. The landlord shall provide the city with a copy of the notice.*

3. *When the issue that precipitated a notice of termination has been resolved and the tenant will remain in the dwelling unit.*

4. When a landlord commences legal action to remove a tenant from a dwelling unit.

5. The outcome of any legal action by the landlord to remove a tenant from a dwelling unit.

(b) A report required by subsection (a) of this subsection (18) must be filed with the city within 30 days of the date of the applicable action listed in that subsection.

(c) The requirements of subsection (a) of this subsection (18) do not apply in the case of a week-to-week tenancy.

(19) Compliance with Laws. Nothing in this section 8.425 diminishes or otherwise affects any duty of a landlord to comply with applicable requirements of federal, state, or local law.

(1520) Administrative Rules. The city manager may adopt administrative rules pursuant to section 2.019 of this code for implementation of this section 8.425.

(1621) Interpretations.

(a) The city manager is empowered to render interpretations of sections 8.400 through 8.440 of this code.

(b) Such interpretations shall be consistent with the purpose of this code.

Section 4. Subsections (2)(b) and (d), and subsection (5)(a) of Section 8.430 of the Eugene Code, 1971, are amended to provide as follows:

8.430 Rental Housing – Enforcement.

(2) Complaint.

(b) A person who files a complaint must be:

1. A party to the current rental agreement covering the property in question or an agent of the party;

2. For alleged violations of EC 8.425(14), an individual who has paid an applicant screening charge or an agent of that individual.

3. For alleged violations of EC 8.425(15), an individual who has paid a security deposit or an agent of that individual.

4. For alleged violations of EC 8.425(16), an individual who has submitted a rental housing application or an agent of that individual.

5. For alleged violations of EC 8.425(17), an individual eligible for receipt of relocation assistance or an agent of the individual.

(d) Complaints shall be processed by the city manager. The city manager shall adopt rules pursuant to section 2.019 of this code that specify the procedure to be followed in processing complaints. Before initiating an investigation under subsection (3) of this section, the city manager shall:

1. Confirm that the complainant has standing to file a complaint;
2. Confirm that the subject of the complaint could be a violation of this code;
3. Except for complaints regarding violations of EC 8.425(14) and complaints regarding lack of essential services, confirm that the owner or the owner's agent has had ten days since mailing of the written notice by the tenant to respond to the complaint;
4. For complaints regarding violations of EC 8.425(14), **(15) and (16)**, and complaints involving lack of essential services, confirm that the owner or owner's agent has had 48 hours from the time the tenant provided written notice to respond to the complaint; and
5. Provide notice to the owner or the owner's agent of the complaint per written procedures.

(5) *Notices and Orders.*

(a) For valid complaints, the city manager shall issue an order to the owner or the owner's agent. The notice and order shall include the following:

1. Address and unit number if applicable;
2. A statement that the city manager has found a violation of section 8.425 of this code as alleged in the complaint;
3. A description of the violation;
4. ***Except as provided in subsection (5)(a)5. of this section,*** a deadline of ten days for remedying the violation, including completion of any repairs, unless the city manager determines that:
 - a. Repairs are needed to remedy the lack of essential services. Upon making this determination, the city manager shall fix a deadline for completing the repairs that is reasonable in the circumstances and is within 48 hours from issuance of the notice and order. However, if the city manager determines that the repairs cannot be completed within 48 hours, the owner or owner's agent shall, within 48 hours, submit a compliance schedule acceptable to the city; or

b. Necessary repairs of non-essential services cannot be completed within the ten-day period. If the city manager makes such a determination, the owner or owner's agent shall submit a compliance schedule acceptable to the city within ten days.;

5. If the city manager finds a violation of EC 8.425 (15) or (16), a deadline of 48 hours for remedying the violation.

56. A statement advising the owner or the owner's agent that if the violation is not remedied by the deadline stated in the notice and order, the city manager may:

a. Issue an administrative civil penalty, or initiate a prosecution in municipal court, or both; and

b. Initiate action to recover all city costs associated with the processing of the complaint, investigation and the resolution of the issue.

67. A statement that the owner or the owner's agent may appeal the notice and order as specified in section 8.435 of this code; and;

78. If repairs are required to remedy the violation, the date after which a reinspection will be scheduled.

(b) The city manager shall mail the order, and any amended or supplemental notice and order, to the tenant and to the owner or the owner's agent by first class mail. If the complaint involves lack of essential services, the city manager shall provide such notice and order by e-mail, phone, and/or personal delivery.

Section 5. Section 8.437 of the Eugene Code, 1971, is added to provide as follows:

8.437 Rental Housing – Cause of Action for Failure to Pay Relocation Assistance.

A landlord that violates the relocation assistance provisions in EC 8.425(17) is liable to an individual eligible for relocation assistance in an amount equal to three months' rent for the dwelling unit as well as actual damages, relocation assistance, and reasonable attorney fees and costs; collectively, "damages." In addition to any other rights and remedies provided in this Rental Housing Code or other applicable local, state or federal law, any tenant claiming to be aggrieved by a landlord's violation of EC 8.425(17) has a cause of action in any court of competent jurisdiction for damages and any other remedies as may be appropriate.

Section 6. Subsection (2) of Section 8.440 of the Eugene Code, 1971, is amended to provide as follows:

8.440 Rental Housing – Registration and Fees.

(2) The city manager, using the process contained in section 2.020 of this code, shall set a fee for each dwelling unit covered by a rental agreement. The revenues generated by the fee *may* be used for the purpose of ***any of the following***:

- (a) ~~Offsetting the costs to the city associated with the enforcement of this **City Rental Housing Code**; and~~
- (b) ~~Costs associated with providing services to tenants and owners and managers of rental housing, including but not limited to: a rental housing navigator position, rental housing data collection, and tenant support services; and~~
- (c) ***Payments to small landlords as provided in EC 8.445.***

Section 7. Section 8.445 of the Eugene Code, 1971, is added to provide as follows:

8.445 Small Landlord Relocation Assistance.

(1) ***A landlord who pays a tenant relocation assistance as required by EC 8.425(17) may request reimbursement by the city if:***

- (a) ***The landlord is a small landlord as defined in EC 8.415;***
- (b) ***All dwelling units owned by the landlord are registered with the city in compliance with EC 8.440;***
- (c) ***The landlord has paid all fees imposed by the city pursuant to EC 8.440;***
- (d) ***The landlord paid relocation assistance to a tenant and submitted documentation of that payment to the city in accordance with EC 8.425(17);***
- (e) ***The landlord has submitted all documentation required by EC 8.425(18) related to the termination of a rental agreement for which relocation assistance was paid to the tenant; and***
- (f) ***The tenant or tenants who received payment of relocation assistance pursuant to EC 8.425(17) have vacated the dwelling unit.***

(2) ***A small landlord eligible for reimbursement under subsection (1) of this section may submit an application for reimbursement to the city on a form approved by the city manager. The application for reimbursement must be submitted within 60 days of the date that the tenant or tenants who received payment of relocation assistance pursuant to EC 8.425(17) vacated the dwelling unit.***

(3) ***A small landlord is limited to one reimbursement under this section 8.445 per calendar year.***

(4) ***A small landlord is not eligible for reimbursement by the city for any amount of***

monetary assistance paid to a tenant as required by ORS 90.427.

Section 8. A landlord that is a party to a rental agreement that was executed and effective on or before the effective date of this ordinance is exempt from the relocation assistance requirements of EC 8.425 (17) if: the tenancy is a tenancy described in EC 8.425(17)(m); within 30 days of the effective date of this ordinance the landlord provides each tenant who is a party to the rental agreement with a written notice, on a form approved by the city manager, that the tenancy is exempt from relocation assistance and submits to the city a notice of relocation assistance exemption on a form approved by the city manager.

Section 9. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

Section 10. The City Recorder, at the request of, or with the consent of the City Attorney, is authorized to administratively correct any reference errors contained herein, or in other provisions of the Eugene Code, 1971, to the provisions added, amended or repealed herein.

Passed by the City Council this

_____ day of _____, 2023

City Recorder

Approved by the Mayor this

_____ day of _____, 2023

Mayor

Relocation Assistance Decision Guide for Motions B through D

This decision guide provides information related to the suggested series of motions on Relocation Assistance in the June 21, 2023 AIS on Renter Protections Phase II.

The following table shows a summary of the decisions described in more detail in this Attachment C. Below the table, each item has a summary of the existing draft ordinance, a summary of feedback, the decision point question(s), and potential options for Council direction.

	Draft Ordinance	Motions	Options
Triggers	5 Triggers	B.1. Remove the following relocation assistance trigger(s) _____	☐ Remove some or all triggers ☐ Keep as drafted
		B.2. Set rent increase trigger at _____	☐ Specific amount ☐ Specific amt + inflation ☐ Keep as drafted
Payment Amount	Not less than 3x FMR	C. Change the relocation assistance payment amount to _____	☐ 3x monthly rent ☐ Keep as drafted ☐ Other _____
Small Landlord Compensation Fund	80% AMI and 4 or fewer units	D.1. Remove the fund	☐ Yes ☐ No
Exemptions	12 Exemptions	D.2. Remove the following exemption(s) _____	☐ Remove some or all exemptions ☐ Keep as drafted
		D.3. Exempt Affordable Housing from <u>all</u> aspects of relocation assistance	☐ Yes ☐ Keep as drafted

Road Map ITEM 8 - RELOCATION ASSISTANCE

The draft ordinance requires landlords to pay relocation assistance to a tenant when the landlord initiates certain triggering events. As was discussed with Council previously, the draft language for relocation assistance is based in large part on Portland's relocation assistance program with the expectation of Council making modifications as needed following the March 13, 2023 public hearing. Housing Policy Board provided recommendations for many components of Relocation Assistance; their recommendations are provided below and are in Attachment F.

AIS Motion B items – Relocation Assistance Triggers

B.1. Trigger Removal

Existing Draft Ordinance Summary: The draft ordinance includes five circumstances under which a landlord would trigger relocation assistance that are provided in the table below along with the HPB recommendations.

Trigger	Housing Policy Board Recommendation
1. Legal no-cause evictions (17)(a)1.	Include trigger
2. Rent increases of 5% or more in a 12-month period when the tenant moves out of a rental unit because they cannot afford the increased rate (17)(e) & (h)	Research this number further with an eye toward raising the percentage (such as Portland's 9.9%) or making it inflation adjusted
3. Certain qualifying landlord-based reasons for termination (17)(a)2. a) To demolish the unit or use the unit for something other than a residence; b) To make repairs or renovations to the unit, and property will be unsafe to live in; c) For the landlord or landlord's immediate family member to move in; and d) If the landlord has sold the unit to someone who plans to move in.	Include trigger
4. Non-renewal of a fixed-term lease (17)(d)	Did not come to a majority vote
5. Substantial change of a lease (17)(d)	Remove trigger

Note: While triggering events 3 through 5 were not explicitly part of the October 2022 Council-approved motion for relocation assistance, those triggers are included in the draft ordinance because they are in Portland's relocation assistance ordinance and were included in previous staff presentations to Council on this topic.

Summary of Feedback: Staff heard that some landlords value no-cause evictions in the first year so that they can determine whether the tenant is a “good fit” or not. Other landlords said that it is rare for them to use no-cause evictions. Tenant advocates believe that tenants should have a chance to defend themselves in court or be eligible to receive relocation assistance for no-cause evictions. The majority of the feedback was focused on the rent increase trigger amount being too low. (See B.2. below.)

- State law provides that after one year, a lease automatically rolls into a month-to-month agreement if it is not renewed. Therefore, the non-renewal of a fixed-term lease trigger (#4 in the table above) would only be applicable within the first year. Additionally, a substantial modification to a fixed term lease is not valid unless the tenant consents to it in writing. Therefore, the substantial change of a lease (#5 in the table above) would be applicable only under specific circumstances in which a landlord conditions the renewal of a lease on a substantial changes and the tenant does not agree with the modification.

Decision Point: Should any of the triggers from the table above 1 through 5 be removed from the draft ordinance?

Options: Remove trigger(s) _____ or keep all triggers (1 through 5) as drafted.

B.2. Rent Increase Trigger Percentage (if the rent increase trigger is not removed from the draft ordinance in motion B.1.)

Existing Draft Ordinance Summary: The draft ordinance currently outlines that relocation assistance will be triggered if a landlord increases rent by 5% or more in a 12-month period, causing the tenant to move out of the unit because they cannot afford the increased rate (trigger 2 in the table above). The rent increase trigger is included because rent increases can result in economic displacement of a tenant, especially lower income, Black, and Latino renters, who are disproportionately impacted by rent increases. [draft ordinance Section 3, EC 8.425 (17)(e),(f),(h)]

Summary of Feedback: During public comment a significant amount of feedback was focused on the rent increase trigger percentage of 5%. Concerns with this threshold include deterring new rental housing developments, deferring maintenance on rental units, driving up rents for future renters, and pushing small landlords out of the Eugene rental housing market.

- State law caps rent increases at 7% plus CPI (Consumer Price Index). The maximum annual increase for 2023 is 14.6%. The maximum increase would have been around 10% if inflation had followed the same pattern each year since 2000. (The current legislative session includes consideration of a potential bill (SB 611) that would modify the maximum annual increase. It is not known at this time whether the bill will pass out of the senate and move to the house.)
- Housing Policy Board recommended Council further research the rent increase percentage and consider raising the percentage to Portland's rate (10%) or make it inflation adjusted.

Decision Point: Should the rent increase be:

- a) a set percentage
- b) a percentage that is adjusted based on inflation (CPI)
- c) other?

Options: Pick a) or b) or c). If a), define the percentage. If c) define the rent increase amount.

AIS Motion C Item – Payment Amount

Existing Draft Ordinance Summary: The draft ordinance allows the City Manager to set the amount of relocation assistance by administrative rule, provided that the amount is not less than three times the current fair market rent published by the US Department for Housing and Urban Development (HUD). This is a slightly different approach than the language of Council's October 2022 motion, which tied the relocation assistance directly to a decision made by HUD. Instead, the delegation of authority is to the City Manager and use of HUD fair market rent (FMR) as a floor was done to avoid issues around delegation of the Council's legislative authority to another entity (HUD). Another option that would also avoid delegation of legislative authority would be to use the current monthly rent of the unit or to identify a specific amount of relocation assistance in the code and tie it to an escalator, such as the Consumer Price Index (CPI). [draft ordinance Section 3, EC 8.425 (17)(c),(g),(j)]

Summary of Feedback: Staff heard that relocation assistance payments could add financial risk to landlords that would need to be offset, which could result in maximum rent increases, tougher screening, or potentially selling units. Alternatively, more than half of all renters in

Eugene are housing cost burdened with limited to no savings to cover moving costs, even with 90-days' notice. For the payment amount, Council could consider using current rent (instead of FMR) as the basis for the payment amount. Using the monthly rent as the basis for the payment amount would be in line with the State relocation assistance. Staff received feedback that adding language to the code to clarify that FMR is set per number of bedrooms would reduce confusion about the payment amount. If Council wants to use FMR as the floor for the payment amount, the only adjustment to the draft ordinance would be to add language to clarify that FMR is set "per number of bedrooms."

- Housing Policy Board recommends using the current monthly rent as the basis for the Relocation Assistance payment, instead of HUD's fair market rent to provide clarity for tenants and landlords on what the amount is.

Decision Point: Should the payment amount be:

- Three times the current monthly rent
- Not less than three times the FMR (as drafted in the ordinance)
- Other?

Options: Pick a) or b) or c). If c), define the payment amount. If Council picks b), staff will add the clarification that FMR is set "per number of bedrooms."

AIS Motion D Items – Small Landlord Compensation Fund & Exemptions

D.1. Removal of Small Landlord Compensation Fund

Existing Draft Ordinance Summary: The draft ordinance would create a compensation fund to reimburse small landlords who earn at or below 80% of area median income when they trigger and are required to pay relocation assistance. Landlords who meet the income requirements and who own four or fewer units would be eligible to be reimbursed for one relocation assistance payment per year. The draft ordinance includes language to allow (but not require) the rental housing door fee to be used as a funding source. [draft ordinance Section 7, EC 8.445 (1)-(4); Section 6, EC 8.440 (2)]

The draft ordinance also includes twelve exemptions for situations where a landlord would trigger relocation assistance but not be required to pay it. They are modeled on Portland's relocation assistance program and described below in item D.2. [draft ordinance Section 3, EC 8.425 (17)(m) 1. to 12.]

Summary of Feedback: Further analysis of the feasibility of the small landlord compensation fund indicates that the relocation assistance exemptions will be more effective in providing relief to landlords in certain situations, eliminate the administrative cost of having a compensation fund, eliminate the cost of researching claims, and eliminate the need to create a permanent funding stream for the compensation fund.

Portland's relocation assistance exemptions are primarily written to support small landlords. The small landlord compensation fund was recommended by tenant advocates in lieu of exemptions. If Council wants to keep the Small Landlord Compensation Fund and exemptions, tenant advocates would like tenants in exempted units to have access to the compensation fund as well.

If established, the small landlord compensation fund would operate with a set amount per year, disbursed on a first come first served basis. The source of funds for this purpose has not yet been identified by Council. The rental housing code door fee is one possible funding source, and the draft ordinance includes language to allow (but not require) it to be used. It is not known how many landlords would qualify for reimbursement from the fund, nor can the overall funding needs of this program be known at this time.

Staff heard during public comment that few landlords would be at or below 80% AMI. There is no reliable way to determine how many units a landlord owns, and therefore hard to verify eligibility. Staff also heard that it is not fair to require a landlord to prove income eligibility for reimbursement but not require a tenant to prove that they need relocation assistance.

- Housing Policy Board discussed the small landlord compensation fund on Feb. 6, 2023 but did not come to a majority vote on a recommendation for including the fund or not. HPB did recommend that a small landlord exemption not be added.

Decision Point: Should the draft ordinance include the Small Landlord Compensation Fund?

Options: Yes or No. If Council decides to keep the small landlord compensation fund in the draft ordinance, one option would be to pilot the program with an interim source of funds to understand the financial requirements and then determine an ongoing funding source. Interim funding for a pilot program could be direct assistance for low-income small landlords from the Affordable Housing Trust Fund. If Council wants to implement a pilot program, the draft ordinance would need to be revised to include a sunset date.

D.2. Exemption Removal

Existing Draft Ordinance Summary: The draft ordinance includes twelve exemptions for situations where a landlord would trigger relocation assistance but not be required to pay it. They are modeled on Portland's relocation assistance program, with the only notable difference being the expansion of Portland's exemption for duplexes to all Middle Housing types (as there is no practical difference between the two types of dwelling units in Eugene code). The exemptions from relocation assistance in the draft ordinance are listed in the table below with the Housing Policy Board recommendations. [draft ordinance Section 3, EC 8.425 (17)(m) 1. to 12.]

Exemption for when a landlord would trigger relocation assistance but not be required to pay	Housing Policy Board Recommendation
1. Week-to-week tenancies	Include exemption
2. Landlord and tenant occupy the same dwelling	Include exemption
3. Landlord and tenant occupy the same Middle Housing parcel	Include exemption
4. Landlord that rents a dwelling unit on a property with an ADU and lives on site	Include exemption
5. Landlord that temporarily rents out their Principal Residence for not more than 3 years	Did not come to a majority vote
6. Landlord that temporarily rents out their Principal Residence due to active military service	Did not come to a majority vote

7. Termination for an immediate family member to occupy the unit	Remove exemption
8. A rent increase or termination of tenancy for a unit of Affordable Housing (exemption does not apply to triggers of non-renewal of lease & substantial change of lease)	Exempt from all aspects of relocation assistance
9. A dwelling unit impacted by the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970	Did not discuss
10. Dwelling Unit rendered immediately uninhabitable	Did not discuss
11. Dwelling Unit rented for less than 6 months with demolition permit submitted prior to signing agreement	Did not discuss
12. Fixed term tenancy where the tenant was notified in advance of intent to sell or permanently convert the unit agreement.	Did not discuss

Summary of Feedback: Portland's relocation assistance exemptions are primarily written to support small landlords. Tenant advocates recommended the small landlord compensation fund in lieu of exemptions. Feedback was primarily focused on exemptions 1 through 8, which are detailed below.

- For exemption 1, a definition of week-to-week tenancy would be helpful. (This adjustment is in the Administrative and Programmatic Package in Attachment C.)
- For exemptions 2, 3, and 4, concerns were raised that tenants living in shared housing, ADUs, or middle housing should have the same protections as everyone else and be eligible for relocation assistance.
 - State law: Landlords that live in the same building or on the same property as the tenant and the property has 2 or fewer units have some extra allowances related to no cause eviction.
- For exemptions 5 and 6, there was a recommendation to clarify that, when a landlord returns from a temporary absence, they must pay relocation assistance if they return from a temporary absence and decide to re-rent the dwelling instead of using it as their primary residence. (This adjustment is in the Administrative and Programmatic Package in Attachment C.)
- For exemption #7, the draft ordinance exempts landlords from relocation assistance if they terminate a tenancy for an immediate family member to move into the unit who is not an owner, a spouse, or domestic partner of the owner. Concerns were raised that enforcement of this exemption would be administratively burdensome.
 - State law: Removing the immediate family member exemption would be in-line with state law, which requires qualifying landlords who terminate tenancy for an immediate family member to move in after the first year of a tenant's occupancy to pay one month's rent in relocation assistance.

If this exemption remains in the draft ordinance, Council could consider changing the definition of immediate family member to match the state definition. (This adjustment is in the Administrative and Programmatic Package in Attachment C.)

Decision Point: Should any of the exemptions 1 through 12 in the draft ordinance be removed?

Options: Remove exemption(s) ____ or keep as drafted.

D.3. Expand Exemption 8 Affordable Housing to cover all aspects of relocation assistance (if exemption 8 is not removed from the draft ordinance in D.1.)

Existing Draft Ordinance Summary: The draft ordinance only exempts regulated Affordable Housing owners from having to pay relocation assistance due to a termination of tenancy or rent increase (triggers 1, 2, and 3 in the B.1. table above). Affordable Housing providers would have to pay relocation assistance if they declined to renew or replace an expiring rental agreement or conditioned a renewal or replacement of an expiring rental agreement on a tenant's agreement to a substantial change to the rental agreement. The draft ordinance would also require Affordable Housing providers to notify tenants about their exemption from relocation assistance. [draft ordinance Section 3, EC 8.425 (17)(m)(8)]

Summary of Feedback: For exemption 8, HPB recommended that Affordable Housing units be exempted from all aspects of relocation assistance. State and federally funded Affordable Housing providers are already subject to rigorous rental regulation policies designed to protect tenants from extreme rent increases and to keep rents affordable for the residents, and are generally prohibited from no-cause evictions. The relocation assistance requirements that would apply to Affordable Housing providers would add administrative requirements with no clear impact on tenant protections for people living in Affordable Housing.

Decision Point: If Council does not remove exemption 8 in decision point D.2. above, should the exemption be expanded so that Affordable Housing is exempt from all aspects of relocation assistance?

Options: Yes or No.

Administrative & Programmatic Package for Motion A

This attachment provides information on a set of proposed administrative and programmatic adjustments to the draft ordinance for Phase II Renter Protections related to Items 6, 7, eviction reporting, and enforcement. Each Phase II item below includes a description of the item as it is currently in the draft ordinance, has a summary of feedback, and provides proposed modifications related to Motion A in the AIS.

Summary Table of proposed administrative & programmatic package

	Draft Ordinance	Proposed Revision
Road Map Item 6: Security Deposits	Additional deposit for risk factors: ½ month's rent	6.a. Increase to 1 month's rent
Road Map Item 7: Processing Applications	Language access additional time up to 72 hours	7.a. Decrease additional time: up to 24 hours
	"Occupied" not defined for exemptions where landlord lives on site	7.b. Add clarifying language "principal residence" to be the trigger for the exemption
	Repeated violations: not defined	7.c. Define as 3 or more repeated violations in the preceding 12 months
	Requires landlords to inform applicants about additional time for language access	7.d. clarify that "notice" refers to the "advertisement of the unit"
Eviction Reporting	Does not allow evicted tenants to file a complaint with code compliance	E.1. Allow evicted tenants to file a complaint
	Requires landlords to report all written termination notices	E.2. Limit to only those notices that result in a termination of tenancy
Enforcement	Written complaint to landlord + 48 hours before reporting to code compliance	E.3. Allow phone calls to report violations, upon City review, allow City notice delivery via email, phone, or in person
Road Map Item 8: Relocation Assistance	Exemption 1: does not define week-to-week tenancy	8.a. Add definition based on ORS 90.100 definition
	Exemptions 5 and 6: do not include change of plans protection for the tenant	8.b. Add language to require relocation assistance if the landlord changes plans and decides to re-rent instead of moving in
	Exemption 7: Immediate family member definition based on	8.c. Adjust to match the state's definition

	Portland's; goes beyond the state's definition	
	Small landlord is defined as <u>owns</u> four or fewer units	8.d. Change "owns" to "has ownership interest in"
	Limits payment to once per tenancy per dwelling unit	8.e. Remove unnecessary phrase "per dwelling unit"

Road Map ITEM 6 - LIMIT DEPOSITS

The draft ordinance generally limits security deposits to a maximum of two times a rental unit's monthly rent. The ordinance defines "security deposits" as "a refundable payment or deposit of money, however designated, the primary function of which is to secure the performance of a rental agreement or any part of a rental agreement." This includes traditional security deposits, but also cleaning and last month's rent deposits. The draft ordinance allows landlords to collect additional security deposits (more than two times the monthly rent) under the following circumstances: a) a deposit of up to one-half of one month's rent, if a landlord rents a unit to an applicant with certain risk factors, and b) a deposit of up to one month's rent, if after the first year, the landlord and tenant agree to modify the lease (for example, to allow another tenant) and the new or increased deposit is related to the lease modification, as allowed by the Oregon Residential Landlord Tenant Act (ORLTA). The draft ordinance in Attachment A provides that the landlord must allow the tenant at least three months to pay the additional deposit(s). The ordinance does not regulate the timing or amount of pet deposits.

6.a. Additional Deposits for At Risk Tenants

Existing Draft Ordinance Summary: Allows a landlord to collect an additional deposit of one half of one month's rent for applicants that could be denied pursuant to state law. [draft ordinance Section 3, EC 8.425 (15)(c)]

Summary of Feedback: During the public comment period, some landlords expressed concern that the additional amount allowed to offset potential risks for renting to applicants who do not meet their screening criteria is important to help at-risk renters gain access to rental housing, but that the drafted amount of one half of one month's rent is too little. Staff also heard from community organizations who work with at-risk tenants that they provide funds to help with additional deposits and often encourage at-risk renters to offer a landlord additional deposit money to increase their chances of acceptance.

Impact of Motion A Approval: Staff will bring back a revised ordinance for Council action that allows a landlord to collect up to one month's rent in additional security deposit for at-risk tenants.

Road Map ITEM 7 – PROCESS APPLICATIONS IN THE ORDER RECEIVED

The draft ordinance requires landlords to process applications for publicly advertised rental housing units on a first-come, first-served basis, except for applications for the following units: a) Affordable Housing units, b) rental units occupied by both the landlord and tenant, c) middle

housing units when the landlord resides in another middle housing unit on the same lot or parcel, d) accessory dwelling units (ADUs) where the landlord's principal residence is on the same lot or parcel as the ADU or where the landlord occupies the ADU on the same lot or parcel as the tenant, e) a dwelling unit that will be shared with an existing tenant who has a separate agreement for the dwelling unit, and f) a dwelling unit not advertised or rented to the general public.

7.a. Additional Time for Language Access

Existing Draft Ordinance Summary: The draft ordinance currently allows a person with limited English proficiency to request additional time to use or obtain language assistance services or resources to complete their application and calls it "meaningful access." The landlord must hold the applicant's place in line for up to 72 hours, and, if a complete application is submitted within that period, document the date and time of receipt as the date and time of the request for additional time. The rationale for this provision is that, regardless of English proficiency, applicants should have a fair chance at obtaining housing. [draft ordinance Section 2 Rental Housing – Definitions "Meaningful Access" and draft ordinance Section 3, EC 8.425 (16)(a) and (f)]

Summary of Feedback: Staff received feedback that the 72 hour period delays the application processing time too much and that the draft ordinance language does not clearly describe who is eligible to request additional time or what the landlord is responsible for. The Administrative Rules will clarify a) that "meaningful access" is language access, b) the landlord's responsibility (which includes informing applicants about their right to request more time in the unit advertisement), and c) who is eligible for language access (which includes anyone who has limited English proficiency and needs to use or obtain language assistance services to communicate effectively).

Impact of Motion A Approval: Staff will bring back a revised ordinance for Council action that allows up to 24 hours additional time for language access, instead of 72 hours.

7.b. Definition of "occupied"

Existing Draft Ordinance Summary: The draft ordinance exempts landlords from processing applications in the order received if they occupy the same dwelling unit as the tenant or if they occupy an accessory dwelling unit on the same lot or parcel as the tenant. [draft ordinance Section 3, EC 8.425 (16)(j)2. and 4.

Summary of Feedback: The intent of exemptions 2 and 4 is to exempt landlords who live in the same dwelling or on the same lot or parcel and use the dwelling as their permanent residence. The term "occupy" does not provide the clarity needed and could be misused.

Impact of Motion A Approval: Staff will add the following bolded language to paragraphs 2 and 4 of section (16)(j):

- 2. A dwelling unit **that is the principal residence of** both the landlord and tenant;
- 4. An accessory dwelling unit located on the same lot or parcel as the landlord's principal residence, or a dwelling unit **on the same lot or parcel as an** accessory dwelling unit **occupied by the landlord as the landlord's principal residence.**

7.c. Definition of Repeated Violations

Existing Draft Ordinance Summary: The draft ordinance allows a landlord to refuse to process applications submitted by an applicant with documented repeated violations of a rental agreement with the landlord during the last 12 months. [draft ordinance Section 3, EC 8.425 (16)(i)2]

Summary of Feedback: Staff received feedback that the language “repeatedly violated” a rental agreement is unclear and would be difficult to enforce. Defining repeated violations in the draft ordinance provides clarity for landlords, applicants, and code enforcement.

- State law allows landlords to deny an application under certain circumstances but that is different than refusing to process an application.

Impact of Motion A Approval: Staff will adjust the draft ordinance for Council action to define “repeated violations” as 3 or more documented violations of a rental agreement during the 12-month period preceding the application submission date.

7.d. Notices about Language Access in unit advertisements – clarifying language

Existing Draft Ordinance Summary: The draft ordinance requires landlords to inform applicants of the ability to request additional time for language access. Landlords are required to provide this information in the advertisement for the dwelling unit. The draft ordinance refers to the advertisement for the dwelling unit as “notice.” [draft ordinance Section 3, EC 8.425 (16)(a)]

Summary of Feedback: Adding language to the draft ordinance that clarifies that the “notice” refers to the advertisement of the unit and does not mean a separate written notice would provide clarity.

Impact of Motion A Approval: Staff will adjust the draft ordinance for Council action to clarify that the “notice” in draft ordinance Section 3, EC 8.425 (16)(a) refers to the “advertisement of the unit.”

EVICTION REPORTING

E.1. Eviction Reporting – Expansion of Who can File a Complaint

Existing Draft Ordinance Summary: Landlords must report to the City all written termination notices that landlords deliver to tenants and provide follow up information about the outcome of the eviction notices. The draft ordinance provides for tenants or their agents to file complaints with code enforcement about non-reported eviction notices. [draft ordinance Section 3, EC 8.425 (18) and Section 4, EC 8.430 (2)(b)]

Summary of Feedback: The draft ordinance does not allow for evicted tenants to file a complaint. Given the timing and nature of eviction reporting (e.g. after being evicted a former tenant is no longer eligible to file a complaint), the City would be more effective in collecting accurate eviction data if the draft ordinance allowed an evicted tenant to file a complaint.

Impact of Motion A Approval: Staff will bring back a revised ordinance that allows an evicted tenant to file a complaint (regardless of whether the person is a current tenant) about a landlord's failure to report their eviction.

E.2. Eviction Reporting – Limit to Only those Notices that Result in a Termination of Tenancy

Existing Draft Ordinance Summary: The draft ordinance requires landlords to report all written notices of termination delivered to a tenant and to report if a) the tenant vacates the unit on or before the date indicated on the notice or b) the issue has been resolved and the tenant will remain in the unit. [draft ordinance Section 3, EC 8.425 (18)]

Summary of Feedback: Requiring landlords to report all termination notices to the City regardless of whether the notice resulted in actual termination of tenancy creates an unnecessary administrative burden on landlords and City staff. The City would be more effective at tracking evictions if the draft ordinance only requires landlords to report termination notices that result in a termination of tenancy.

Impact of Motion A Approval: Staff will bring back a revised ordinance for Council action that limits the types of termination notices landlords must report to only those that result in a termination of tenancy (rather than all notices).

ENFORCEMENT

E.3. Enforcement Measures Related to Deposits & Processing Applications

Existing Draft Ordinance Summary: The draft ordinance expands the definition of who can file complaints to include the individual or their agents who have paid a security deposit or submitted a rental housing application. The complainant must first notify the landlord of the alleged violation in writing and then wait 48 hours before reporting it to code compliance. [draft ordinance Section 4, EC 8.430 (2)(b)3 through 5 and (2)(d)4]

Summary of Feedback: Staff received feedback that the process outlined in the draft ordinance – specifically providing a written complaint to the landlord and then waiting for up to 48 hours for a remedy – is cumbersome and would delay the process and could have a negative impact on applicants. Allowing individuals to report security deposit and application processing violations to code compliance immediately via phone calls and allowing City notices to the owner/owner's agent via email, phone, or personal delivery would provide a quicker turn-around to remedy the issue. Without a quick remedy, an applicant could lose their chance at obtaining housing and potentially lose money paid to a landlord for security deposits.

Impact of Motion A Approval: Staff will adjust the draft ordinance with two changes to enforcement: 1) allow individuals to report violations for security deposits and application processing directly to code compliance via phone calls (in addition to other methods of filing complaints already in code); and 2) allow City notices to be delivered via email, phone, and personal delivery to the owner/owner's agent.

Road Map ITEM 8 – RELOCATION ASSISTANCE EXEMPTIONS

As was discussed with Council previously, the draft language for relocation assistance is based in large part on Portland's relocation assistance program with the expectation of Council making modifications as needed following the March 13, 2022 public hearing. The draft ordinance includes twelve exemptions modeled on Portland's relocation assistance program. Housing Policy Board provided recommendations for many components, including exemptions for Relocation Assistance; their recommendations are in Attachment F.

8.a. Exemption 1 Week-to-week tenancy – Definition (if exemption 7 is not removed from the draft ordinance with AIS motion D.2)

Existing Draft Ordinance Summary: The draft ordinance does not define week-to-week tenancy. [draft ordinance Section 2, EC 8.415]

Impact of Motion A Approval: If Council does not remove Exemption 1 from the draft ordinance with AIS motion D.2, staff will add a definition of "week-to-week tenancy" based on the ORS 90.100 definition to the draft ordinance for Council action.

8.b. Exemption 5 and 6 temporary rental of a landlord's principal residence – change of plans (if exemption 5 and 6 are not removed from the draft ordinance with AIS motion D.2.)

Existing Draft Ordinance Summary: The draft ordinance exempts landlords from relocation assistance if they temporarily rent out their principal residence during the landlord's absence of less than 3 years (exemption 5) or during the landlord's absence due to active military duty (exemption 6). [draft ordinance Section 3, EC 8.425 (17)(m)(5) and (6)].

Summary of Feedback: For exemptions 5 and 6, there was concern about what happens if a landlord returns from a temporary absence and decides to re-rent the dwelling within 6 months instead of use it as their primary residence.

Impact of Motion A Approval: If Council does not remove Exemptions 5 and 6 from the draft ordinance with AIS motion D.2, staff will adjust the draft ordinance for Council action to clarify that a landlord would be required to pay relocation assistance if they return from a temporary absence and decide to re-rent the unit within 6 months, instead of using it as their primary residence.

8.c. Exemption 7 Immediate Family Member – Definition (if exemption 7 is not removed from the draft ordinance with AIS motion D.2.)

Existing Draft Ordinance Summary: The draft ordinance definition of immediate family member is based on the Portland definition and goes beyond the state's definition in ORS 90.427 to include foster parents and siblings, parents in-law and siblings in-law, grandparents, grandparents in-law, stepchildren, foster children, and grandchildren. [draft ordinance Section 2, EC 8.415 Definitions]

Impact of Motion A Approval: If Council does not remove Exemption 7 from the draft ordinance with motion D.2, staff will adjust the definition of immediate family member to match the State definition in ORS 90.427 in the draft ordinance for Council action.

8.d. Definition of Small Landlord (if the Small Landlord Compensation Fund is not removed from the draft ordinance with AIS motion D.1)

Existing Draft Ordinance Summary: The draft ordinance defines a small landlord as a natural person with an annual household income at or below 80% AMI as defined by U.S. Department of Housing and Urban Development (HUD) and who owns four or fewer rental housing units, including units owned through legal entities. [draft ordinance Section 2, EC 8.415 Definitions]

Summary of Feedback: Concerns were raised about how the City would verify income, verify the number of properties owned, and who would be eligible for reimbursement for properties with more than one owner, including entities with a mix of legal entities and natural persons.

Impact of Motion A Approval: If Council does not remove the Small Landlord Compensation Fund with AIS motion D.1, staff will adjust the draft ordinance to change the small landlord definition wording from “who owns” to “who has ownership interest in” four or fewer rental housing units.

8.e. Per dwelling unit

Existing Draft Ordinance Summary: The draft ordinance limits relocation assistance payments to “once per tenancy per dwelling unit.” [draft ordinance Section 3 EC 8.425 (17)(j)]

Summary of Feedback: The phrase “per dwelling unit” is duplicative and does not provide clarity.

Impact of Motion A Approval: Staff will remove the phrase “per dwelling unit.”

DRAFT RENTER PROTECTIONS ROADMAP

Updated with Council's 3/16/22, 7/11/22 & 10/24/22 direction

Phase

I = Council approved 7/11/22

II = Research presented 10/24/22

III = Additional research after Phase II concludes

Impact Scale

● = Regular

○ = Partial

Keeping People Housed

Components of Rental Affordability

Housing Racial Equity

PHASE	RECOMMENDATION	ACTIVITY	IMPACT			FUNDING	HOW TO IMPLEMENT	ENFORCEMENT
I	Council approved July 11, 2022							
PHASE II CONSIDERATION UNDERWAY								
II*	6. Limit landlords to charging deposit (combination of security, cleaning, and last month deposits) with a max of 2 times the monthly rent, not including pet deposit.	Application				Revenue Backed	Code Amendment	Complaint driven, code enforcement
	7. Require landlords to process applications in the order received (first-come, first-served).	Application				Revenue Backed	Code Amendment	Complaint driven, code enforcement
	8. Relocation assistance for legal no-cause evictions, substantial changes in the lease, non-renewal of fixed term lease, qualified landlord reasons, or increase in the rent of 5% or more by the landlord. Including a small landlord compensation fund.	Support Services				Primary program: Revenue Backed Small landlord compensation fund: Not Identified	Code Amendment	Complaint driven, code enforcement; cause of action
PHASE III REQUIRES FEASIBILITY ANALYSIS								
Attachment E "guide to the roadmap" for preliminary information on the Phase III items.								See
III	Additional research to be presented to Council after Phase II concludes							
* In accordance with Council's 10/24/22 direction, the draft Phase II Ordinance also includes language requiring eviction data reporting by landlords and provides enforcement measures if landlords do not report eviction data.								

Guide to the Roadmap

The following guide explains the roadmap in Attachment D, Phase I enforcement follow-up information, the Phase II items in more detail, and provides preliminary information on the Phase III items (which are not the subject of the June 21 and 26, 2023 Work Sessions).

How the roadmap is organized

The renter protections roadmap is a formatted table to provide high level summary information based on feedback from Council's November 22, 2021, March 16, 2022, and October 24, 2022 work sessions. The roadmap includes phasing and summary information on the activity area, anticipated impact, funding, implementation, and enforcement. The symbol key is shown at the top of the table. Additional information about the impact categories, funding, and enforcement is below followed by information on each of the proposed renter protections.

Impacts Categories

The Impacts Categories were used to evaluate the renter protection items that Council asked to be explored in November 2021 after reviewing the Housing Policy Board recommendations. The Impact Categories are priority rental housing policy goals at the local, state, and federal levels and include components of stabilization that can help disadvantaged households gain access to decent and affordable rental options, decrease discrimination, and prevent lower-income renters from becoming unhoused.

- 
Keeping people housed. This Impacts Category represents an action that will prevent or ameliorate evictions, provide supports that can improve a tenant's knowledge about their rights, and improve the length of time a tenant has in accessing another rental unit. According to a 2021 *White Paper on Anti-Displacement Strategy Effectiveness*, neighborhood stabilization and renter protection policies have shown the most direct and immediate effect on mitigating displacement in California.
- 
Components of Rental Housing Affordability. This Impacts Category represents opportunities to lessen the costs associated with rental housing that are in addition to annual rents, such as deposits and fees. According to the Joint Center for Housing Studies of Harvard University, recent housing market trends show the cost-burdened share of renters has worsened in the face of rising rents, with an increase of cost-burdened renters among middle-income households while the lowest-income households continue to experience the most severe affordability challenges. The allowable rent increase in Oregon for the 2023 calendar year is 14.6%. This means that already cost burdened tenants could see increases that would push them to become severely cost burdened (more than 50% of household income for rent).
- 
Housing Racial Equity: This Impacts Category represents opportunities to stop discriminatory rental housing practices that can impact renter ability to acquire, maintain,

or be financially capable of future housing. According to the US Department of Housing and Urban Development's (HUD) FY 2021 Eviction Protection Grant Program, "Landlords do not pursue evictions equally across households. While the national eviction filing rate was 1 in 20; for Black renters, it was 1 in 11. People of color, women, and families with children are more likely to be evicted. Among tenants at risk of eviction, Hispanic tenants in predominantly white neighborhoods were roughly twice as likely to be evicted as those in predominantly non-white neighborhoods. Hispanic tenants were also more likely to get evicted when they had a non-Hispanic landlord." Harvard studies have also shown that cost burdens rose fastest between 2019 and 2020 among renter households headed by a Black person from 2019 to 2020, widening the existing Black-white affordability gap.

Funding

The cost to implement Phase II protections would primarily be in code enforcement and the small landlord compensation fund. The cost for code enforcement will depend in part on how many complaints are received. The rental housing code door fee increase put in effect in 2022 that included funding for the rental housing navigator and an initial amount of code enforcement staffing will be the starting point for Phase II implementation. Additional funding may be needed depending on the volume of activity. Additional funding information is provided for each of the individual Phase II items below.

Enforcement

The primary goal of code enforcement is to raise awareness of code requirements and to minimize the need for enforcement. Enforcement for the protections will utilize the existing Rental Housing Code enforcement process. By using the existing enforcement process, tenants can file complaints with code compliance staff as an additional path or alternative to litigation, as litigation can be complicated, slow and costly.

The focus of Eugene's Rental Housing Code is to ensure rental properties in the City are safe for tenants by creating minimum habitability standards and offering protections for renters. The program is designed to encourage written communication between the tenant and owner and ideally resolve issues without the need for formal enforcement action. If a tenant and owner are unable to resolve the issues on their own, the City works with both parties to reach compliance.

When a written complaint is received, staff contact the landlord to see if the issue may still be resolved quickly and determine next steps in the enforcement process. As with all enforcement cases, resolution with a phone call or in-person contact is preferred by all parties. In cases where staff are unable to achieve immediate resolution, depending on the type of violation staff may issue a Notice to Correct. If a Notice to Correct is necessary, the landlord will be given either 48 hours or 10 days to correct the violation. If the landlord is unresponsive or does not correct the violation within the allowed timeframe, the City may issue a civil penalty. The landlord has the ability to appeal the City's determination. The primary goal is always to reach voluntary

compliance without penalties. If, a civil penalty is necessary, there may be a minimum of \$140 per day up to a maximum of \$1,200 per day penalty. The amount of the civil penalty assessed depends on several factors and is unique in each case. Of all rental housing complaints received to date, only five were assessed civil penalties. As with the rest of the compliance program, the focus is on education and enforcement, not assessing penalties.

The time to resolve complaints can vary. Frequently, as noted above, complaints can be resolved with one phone call from City code compliance staff to landlords. Other times, the complaint process can take several months depending on the complexity of the corrections needed. The estimated cost to enforce the renter protections code will depend on the number and complexity of the complaints.

In addition, the draft ordinance in Attachment A includes the right to a cause of action to seek judicial relief in court for alleged violations of the City's relocation assistance regulations.

See the Phase 1 section below for information on enforcement follow-up Council provided direction on at the October 2022 work session.

Phase I Items – Approved by Council on July 11, 2022

PHASE I	1. Support services (<i>see eviction data collection enforcement follow-up info below this table</i>)
	2. Move-in/out documentation
	3. Rental history reference before giving notice
	4. Tenant educational information
	5. Cap applicant screening fees (<i>see enforcement follow-up info below this table</i>)

Eviction Data Collection Enforcement Follow-Up: An important component of the rental housing data collection approved by Council on July 11, 2022 is eviction data reporting by landlords. Currently, methods of tracking local evictions are anecdotal, only represent a portion of all evictions, or require significant investment in time to collect and analyze. For example, data is not available on the number of no-cause evictions or for-cause evictions that do not go to court. Collecting this data will help staff track the state of the rental market and inform specific anti-displacement efforts, potentially including support services for landlords and tenants. Prior efforts to collect data through the Rental Housing Code, indicate the importance of reporting requirements that, if not done, will result in enforcement. Based on Council direction from the October 24, 2022 work session, the draft Phase II Ordinance establishes enforcement consequences for landlords that do not report evictions.

Screening Fee Cap Enforcement Follow-Up: At the October 24, 2022, work session, Council also directed staff to include additional enforcement language pertaining to the \$10 cap on applicant screening charges that was imposed in Phase I. Shortly after the Council's October work session, a group of landlords filed a lawsuit challenging the \$10 cap. On January 31, 2023, a Lane County Circuit Court judge issued an order holding that the City is preempted by state law from imposing or enforcing the \$10 cap. The City has appealed the Circuit Court's decision, but staff is not sure exactly when an appellate court will decide the appeal. During the pendency of the appeal the City will not enforce the cap. Consequently, no additional enforcement language related to the \$10 cap has been included in the Phase II draft ordinance in Attachment A.

Items in the Draft Phase II Ordinance

The Phase II items are the subject of the 6/26/23 work session.

PHASE II	6. Limit deposits.
	7. Process applications in the order received.
	8. Relocation Assistance under certain circumstances (formerly referred to as displacement prevention assistance).

6. Limit landlords to charging deposits with a maximum of two times the subject unit's monthly rent. For purposes of this prohibition, security, cleaning, and last month's rent deposits are all included in this maximum standard for deposits. Pet deposits are not included.

The draft ordinance generally limits deposits to a maximum of two times the unit's monthly rent. The draft ordinance does not regulate the timing or amount of pet deposits. Although some landlords and tenants report that this limit is in line with their current experience, other Eugene and Springfield tenants report security deposits of up to 6 months' rent. The proposed maximum security deposit is consistent with national and high-cost-urban markets of U.S. states that regulate the amount of deposits using a limit of 1-2 months' rent, and some high-rental-cost cities also restricting it further, including Seattle (1 month) and Portland (1.5 months). This intends to reduce financial burden of a large upfront payment. A summary of State law information related to this item is provided in Attachment G.

Housing Policy Board recommended a limit of two times the monthly rent. Local regulated affordable housing agencies have noted that a deposit of two months' rent can often serve as extra assurance to landlords who rent to low-income residents receiving assistance from the local providers.

The draft ordinance allows landlords to collect additional security deposits under the following circumstances:

- If a landlord rents a unit to an applicant with certain risk factors who could be denied in accordance with State law for reasons including but not limited to an unacceptable criminal history, insufficient rental history, or negative information reported by a consumer credit

agency, the draft ordinance in Attachment A allows for the additional security deposit to be up to one-half of one month's rent as extra assurance.

- If after the first year, the landlord and tenant agree to modify the lease (for example, to allow another tenant) and the new or increased deposit is related to the lease modification, as allowed by the Oregon Residential Landlord Tenant Act (ORLTA), the draft ordinance allows for the additional security deposit to be up to one month's rent. It sets no limit for an increase related to pets.
- If the landlord requires an additional security deposit for either or both of the above reasons, the draft ordinance in Attachment A provides that the landlord must allow the tenant at least three months to pay the additional security deposit. (In Portland, a landlord must allow the tenant to pay an additional security deposit in up to three installments if requested by the tenant.)

Impact: This protection has an impact of Components of Rental Housing Affordability and to a lesser extent Keeping People Housed and Housing Racial Equity.

Funding: The cost for this protection would be for code enforcement, which will depend in part on how many complaints are received. If Phase II is moved forward as shown in the roadmap, the existing rental housing code door fee with the 2022 increase would provide the funding for code enforcement for this item. This protection would also utilize time of the rental housing navigator position established in Phase I approved by Council in July 2022.

7. Process applications in the order received (first-come, first-served).

The proposed draft ordinance requires landlords to process applications for publicly advertised rental housing units in the order received, to offer tenancy to the first qualified applicant who provides a complete rental application, and to allow applicants with limited English proficiency to request additional time (up to 72 hours) to complete their application without losing their position in line. The landlord must digitally or manually record the date and time of receipt of each application. If a landlord receives an application before prior to the open application period, the landlord must record the date and time of receipt as 8 hours after the start of the open application period. A landlord may simultaneously process applications but must accept or deny an application in the order of receipt. A landlord must notify the applicant of their position in line if requested by the applicant. Landlords may refuse to process an application that is materially incomplete or that was submitted by an applicant who has verifiable repeated rental agreement violations with this landlord and if the most recent violation occurred within the prior 12-month period.

Exemptions: The draft ordinance in Attachment A includes exemptions for:

1. Affordable Housing units,
2. rental units occupied by both the landlord and tenant,
3. middle housing units when the landlord resides in another middle housing unit on the same lot or parcel,

4. accessory dwelling units (ADUs) where the landlord's principal residence is on the same lot or parcel as the ADU or where the landlord occupies the ADU on the same lot or parcel as the tenant.
5. a dwelling unit that will be shared with an existing tenant who has a separate agreement for the dwelling unit, and
6. a dwelling unit not advertised or rented to the general public.

The above exemptions are the same as exemptions in the Portland code except for item 3. The Eugene Code allows both attached and detached middle housing units, whereas Portland only allows an exemption for duplexes 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.

A summary of State law information related to this item is provided in Attachment G.

Other examples of processing applications in the order received: The Portland code has the same requirements as described above and contained in Attachment A for time stamping complete applications, processing multiple applications, refusing to process certain applications.

In Seattle, Washington, landlords are required to date and time stamp applications in the order received; screen applications in chronological order one at a time, give applicants a minimum of 72 hours for additional information on an otherwise complete application; provide 48 hours for a response to an offer of a rental agreement, after which time the landlord can proceed screening the next applicant in line. Seattle's First-in-Time ordinance requires landlords to make exceptions for people who require additional time to submit a complete rental application in order to ensure meaningful access to the application. For example, this would apply in situations where a person requires assistance completing the application because of limited English proficiency.

Impact: This protection has an impact of Housing Racial Equity.

Funding: The cost for this protection would be for code enforcement, which would depend in part on how many complaints are received. If Phase II is moved forward as shown in the roadmap, the existing rental housing code door fee would provide the funding for code enforcement for this item. This protection would also utilize time of the rental housing navigator position established in Phase I approved by Council in July 2022.

8. Relocation Assistance for legal no-cause evictions, substantial changes in the lease, or substantial increases of 5% in the rent by the landlord, non-renewal of fixed term lease, or specific qualified landlord reasons.

The Phase II draft ordinance provides that in the case of certain types of evictions and rent increases, landlords would have to provide some financial assistance to help tenants relocate into new housing. Relocation assistance was previously referred to with Council as Displacement Prevention Assistance. The term "relocation assistance" makes it clear that landlords still have

the authority to evict tenants and raise rent consistent with State law. The City cannot prevent landlords from taking legally permissible actions that may result in tenant displacement.

Generally speaking, Relocation Assistance intends to provide housing stability for tenants who need to relocate due to a landlord's decision to increase rent that the tenant cannot afford or due to a landlord's decision to use the dwelling unit for another purpose. Relocation Assistance may also entail a payment from a landlord to a tenant when a landlord legally terminates a lease for reasons that do not constitute a for-cause eviction (commonly referred to as no-cause evictions) and the decision to terminate the lease is solely landlord related (i.e. to remodel the unit making it unavailable; or to lease to a family member). There is more than one model of Relocation Assistance, and best practice is to calibrate the program to address the issues in the local rental market.

State Law: State law already provides some Relocation Assistance for Oregon renters. In February of 2019, SB 608 (codified at ORS 90.427) became effective and includes two of the following renter protections: 1) prohibits most no-cause evictions after the first year of occupancy and 2) limits how much landlords can increase rent each year for dwellings that are 15 years old or older to 7% plus inflation (consumer price index (CPI)). Due to high inflation levels experienced this year, landlords are allowed to increase rents by up to 14.6% in 2023. (The current legislative session includes consideration of a potential bill (SB 611) that would modify the maximum annual increase. It is not known at this time whether the bill will pass out of the senate and move to the house.)

After one year of tenancy, landlords are only allowed to evict tenants for cause or for one of the four qualifying "landlord based" reasons:

1. for demolition or conversion of the unit to non-residential use,
2. to make repairs or renovations that would make the property unsafe to live in,
3. for the landlord or the landlord's immediate family member to move in, or
4. if the landlord has sold the unit to someone who plans to move in.

Landlords must give the tenant a 90-day notice for any of the four "landlord-based" reasons to evict. Landlords with ownership interest in more than four units are also required to pay the tenant one month's rent in relocation assistance if they use any of the four "landlord-based" reasons. Landlords that live in the same building or on the same property as the tenant and the property has 2 or fewer units have some extra allowances related to no cause eviction.

Elements in the Phase II Draft Ordinance: The draft ordinance in Attachment A includes the payment amount, triggers, and exemptions that are summarized below.

- **Triggers.** The circumstances upon which a landlord would trigger relocation assistance include: a) legal no-cause evictions, b) rent increases of 5% or more in a 12-month period when the tenant moves out of a rental unit because they cannot afford the increased rate, c) certain qualifying landlord-based reasons for termination (for example, the landlord intends to occupy the dwelling as the landlord's primary residence), d) non-renewal of a fixed-term lease, and e) conditioning renewal or replacement of an expiring rental agreement on substantial changes to the lease.

- Payment Amount. The draft ordinance allows the City Manager to set the amount of relocation assistance by administrative rule, provided that the amount is not less than three times the current fair market rent published by the US Department for Housing and Urban Development (HUD). This is a slightly different approach than the language of Council's October 2022 motion, which tied the relocation assistance directly to a decision made by HUD. Instead, the delegation of authority is to the City Manager and use of HUD fair market rent (FMR) as a floor was done to avoid issues around delegation of the Council's legislative authority to another entity (HUD). Another option that would also avoid delegation of legislative authority would be to use the current monthly rent of the unit or to identify a specific amount of relocation assistance in the code and tie it to an escalator, such as the Consumer Price Index (CPI).
- Notices: Landlords must provide tenants with written notice of termination of the rental agreement or rent increase that would trigger relocation assistance at least 90 days before the effective date of the termination or rent increase. Notices must include a description of the tenant's rights and obligations and the amount of relocation assistance they are eligible to receive.
- Exemptions. The draft ordinance includes exemptions modeled on Portland's relocation assistance program. The exemptions in the draft ordinance are:
 1. Week-to-week tenancies;
 2. Tenants that occupy the same dwelling as their landlord;
 3. Tenants that occupy a unit of middle housing on the same lot or parcel as the landlord;
 4. A dwelling unit on a property with an Accessory Dwelling Unit (ADU) or the Accessory Dwelling Unit itself where the landlord and tenant both live on the same lot or parcel;
 5. A landlord that temporarily rents out their principal residence for no more than 3 years;
 6. A landlord that temporarily rents out their principal residence due to active duty military service;
 7. Termination of a rental agreement by the landlord in order for the landlord's immediate family member, who is not an owner of the dwelling unit, or the spouse, or domestic partner of an owner of the dwelling unit, to occupy the dwelling unit;
 8. A rent increase or termination of tenancy for a unit of affordable housing, as defined in the ordinance: "Housing that is guaranteed to be affordable, under guidelines established by the United States Department of Housing and Urban Development, to households that earn no more than 80 percent of the median household income for the city of Eugene, for a period of at least 20 years; or housing for low-income persons that is eligible for an exemption from systems development charges pursuant to section 7.725(2) of this code.";
 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 immediately uninhabitable not due to the action or inaction of a landlord or tenant;
11. A dwelling unit rented for a period of less than 6 months with appropriate verification of the submission of a demolition permit prior to the execution of the rental agreement;
12. A dwelling unit subject to a fixed term tenancy where the landlord's intent to sell or permanently convert the dwelling unit to a use other than as a dwelling unit is a term of the executed rental agreement.

Exemption #3 included in the draft code differs from Portland's code and is explained below in the "how the draft ordinance compares to Portland's relocation assistance" section.

- Small Landlord Compensation Fund. Staff heard concerns from both tenants and landlords about potential challenges faced by small landlords or low- to moderate-income landlords. A small landlord can be defined by the number of properties they own and their income reported on federal tax returns. An example of this would be a landlord who owns (or has ownership interest in) four units or fewer and whose income is below 80% of the Area Median Income by household size.

The draft ordinance creates a small landlord compensation fund to reimburse landlords at or below 80% of area median income when they are required to pay relocation assistance. If established, the fund would operate with a set amount per year, disbursed on a first come first served basis. Such a fund could be administered by a third-party program administrator selected through a Request for Proposals process or administered by the City. Requirements of landlords requesting funds would include showing proof of payment of the rental housing code door fee, submitting a copy of the termination of tenancy notice along with information about their units, and submitting federal tax returns or a declaration of hardship if they do not meet the income qualifications. (See the "funding" header below for more information.)

How the draft ordinance compares to Portland's relocation assistance: The triggering events in the Phase II draft ordinance were based on the City of Portland's mandatory relocation assistance with the exception of the rent increase amount, which is 10% in Portland (not 5%). The other triggers in Portland relocation assistance are the same as in the draft ordinance in Attachment A.

The amount of relocation assistance in Portland is fixed as of the year the code was approved (2017) and based on the unit size: Studio or Single Room Occupancy is \$2,900; 1-Bedroom is \$3,300; 2-Bedroom is \$4,200; and 3-Bedroom or larger is \$4,500.

The noticing requirements in Portland are the same as in the draft ordinance in Attachment A.

The Portland relocation assistance program applies to all rental units regardless of age – with exemptions available by application in defined situations. The one exemption included in the

draft code that differs from Portland's code is related to middle housing. The exemption for middle housing was added to be consistent with the accessory dwelling unit exemptions as there is no practical difference between the two types of dwelling units in the Eugene Code.

Portland does not have a small landlord compensation fund.

Other examples of relocation assistance: Additional examples of Relocation Assistance in other jurisdictions demonstrate the ways in which cities provide renter protections that extend beyond state laws and craft ordinances to meet the specific needs of renters. California has state mandated relocation assistance equal to one month of the tenant's rent for no cause evictions after one year of tenant occupancy. In Healdsburg, California, low- or moderate-income households may be eligible to receive additional Tenant Relocation Assistance from landlords when no-cause evicted after the first year of tenancy; in addition to state-mandated payments, tenants who earn 120% or less of area median income receive a relocation payment equal to one month of rent, and tenants who earn 80% or less of area median income receive two months of rent. Tenants must provide proof of income within seven calendar days of eviction notice. In January 2023, Los Angeles City Council approved a new tenant protection requiring landlords to pay economic displacement relocation assistance to tenants who receive a rent increase of more than 10% within 12 months and are unable to afford the rent increase. The payment amount is based on bedroom size published by the Los Angeles Housing Department, plus \$1,411 in moving costs. Relocation assistance for tenants who rent a Single Family Dwelling (SFD) is one month's rent if the landlord is a natural person who owns no more than four residential units and a SFD on a separate lot in the City of Los Angeles.

Housing Policy Board: The Housing Policy Board (HPB) met on June 6, 2022, October 3, 2022, December 5, 2022, January 9, 2023, February 6, 2023, February 27, 2023, and March 6, 2023, to review and discuss Relocation Assistance. (HPB did not consider relocation assistance in its 2021 deliberations on Renter Protections due to litigation processes that were underway at the time regarding the Portland Mandatory Relocation Assistance ordinance, which later concluded in 2022.) HPB received presentations from individuals of the Eugene Tenant Alliance and the Eugene Rental Homeowners Association. HPB members had several questions, many focused on unintended outcomes that might hurt tenants in the long run and, at the October 2022 meeting, expressed an interest in taking more time for a greater analysis of the impacts of Relocation Assistance, including a review of the research on these types of market interventions. On March 6, 2023, HPB finalized their recommendations to Council on Relocation Assistance, which are in Attachment F.

Impact: This protection has an impact of Keeping People Housed, Components of Rental Housing Affordability, and Housing Racial Equity.

Funding: The cost for this protection would be for code enforcement, which will depend in part on how many complaints are received. If Phase II is moved forward as shown in the roadmap, the existing rental housing code door fee would provide the funding for code enforcement for this item. This protection would also utilize time of the rental housing navigator position established in Phase I approved by Council in July 2022.

If established, the small landlord compensation fund would operate with a set amount per year, disbursed on a first come first served basis. The source of funds for this purpose has not yet been identified by Council. The rental housing code door fee is one possible funding source, and the draft ordinance includes language to allow (but not require) it to be used. It is not known how many landlords would qualify for reimbursement from the fund, nor can the overall funding needs of this program be known at this time.

One option would be to pilot the program with an interim source of funds, to understand the financial requirements and then determine an ongoing funding source. Interim funding for a pilot program could be direct assistance for low-income landlords from the Affordable Housing Trust Fund. If Council wants to implement a pilot program, the draft ordinance would need to be adjusted to include a sunset date.

Phase III Items – NOT the subject of the 6/21 and 6/26/23 work session

Renter protections listed in Phase III are more complex and need additional research on the feasibility of enforcement, the extent of the impact, and potential changes in State law. Phase III protections may also be more difficult or complex to effectively administer. The information provided below is based on preliminary research and is subject to change after more thorough research that will be completed and presented to Council after Phase II is concluded.

PHASE III	9. Prohibit medical and education debt and limit credit score.
	10. Loosen minimum monthly gross income screening standards.
	11. Local prevention of, or moratorium on, no-cause evictions.

- 9. Prohibit landlords from: a) including medical or education debt when evaluating an applicant's income vs. expense and b) using a mandatory credit score of above 500.** (Items 9 & 10 need to be considered together)

This protection would protect renters by lowering barriers to housing access by recognizing that credit score does not correlate with present ability to pay rent. Specifically, it would require landlords not to reject an applicant based on a credit score lower than 500 and to exclude medical debt and education debt. These are part of Portland's Low-Barrier screening criteria that landlords are encouraged to utilize.

- 10. Loosen minimum monthly gross income screening standards** (Items 9 & 10 need to be considered together)

This recommendation would allow a landlord to require an applicant to show monthly gross income up to but not greater than 2 times amount of rent. This follows the spirit of the Portland FAIR Ordinance guidelines but would be simpler to implement. This protects renters by

improving access to housing for lower- and moderate-income tenants. It also reflects existing disparities between local incomes and local prices for rental housing as reported in the 2020 Eugene- Springfield Consolidated Plan: “Households paying more than 30% of household income are considered to have a ‘housing cost burden.’ Most of all renters in Eugene (55%) and slightly under half of all renters in Springfield (48%) are considered housing cost burdened.”

11. Local prevention of, or moratorium on, no-cause evictions.

This item would establish a local moratorium on no-cause evictions. The State had a moratorium on evictions that expired on June 30, 2022. That protection was in place for renters who were unable to pay rent due to the impacts of the pandemic. A ban on no-cause evictions would go a step further than the Relocation Assistance in item #8 above. If the Relocation Assistance and a moratorium were both in place, landlords would not be able to use a no-cause eviction and would not need to pay for tenant Relocation Assistance. This item in particular will require additional legal research and input from enforcement staff regarding feasibility.

Housing Policy Board Relocation Assistance Recommendations

From the February 6 & 27 and March 6, 2023 meetings

Topic Area	Recommendation
Overall	<i>Recommendation for Council 3/6:</i> Proceed with relocation assistance with the modifications shown below. Yes-4; No-0
Relocation Assistance PAYMENT	<i>Recommendation for Council 2/6:</i> Use three times the current monthly rent as the basis for DPA payment (instead of having a standard amount for every tenant). Yes-3; No-1; Abstain - 1 (Commissioner Buch)*
No Cause TRIGGER	<i>Recommendation for Council 2/27:</i> Include no-cause evictions as a trigger. Yes-4; No-1
Qualifying Landlord Reasons TRIGGER	<i>Recommendation for Council 2/27:</i> Include this trigger. [HPB noted that for circumstances that overlap with SB 608, it would be an addition of two months relocation payment to the State's existing one month relocation.] Yes-5; No-0
Rent Increase TRIGGER	<i>Recommendation for Council 2/27:</i> Research this number further with an eye toward raising the percentage (such as Portland's 9.9%) or making it inflation adjusted. Yes-5; No-0
Substantial change of Lease TRIGGER	<i>Recommendation for Council 2/27:</i> <u>Remove</u> "substantial change of lease terms" as a trigger. Yes-5; No-0
Week to Week EXEMPTION (17)(m)1.	<i>Recommendation for Council 3/6:</i> Include exemption for Week-to-week tenancies. Yes-4; No-0
Unit Shared with LL EXEMPTION (17)(m)2.	<i>Recommendation for Council 3/6:</i> Include exemption for Landlords that share the same Dwelling Unit as their Tenant(s). Yes-3; No-1
Duplex Shared with LL EXEMPTION (17)(m)3.	<i>Recommendation for Council 3/6:</i> Include exemption for Landlords that occupy a Duplex as their Principal Residence and rent the second unit. <i>[The draft ordinance wording uses "middle housing" instead of "duplex."]</i> Yes- 3; No-1
ADU Shared with LL EXEMPTION (17)(m)4.	<i>Recommendation for Council 3/6:</i> Include exemption for Landlords that rent a Dwelling Unit on a property with an ADU and live on site. Yes-3 ; No-1
LL Immediate Family to move in EXEMPTION (17)(m)7.	<i>Recommendation for Council 3/6:</i> <u>Remove</u> the exemption for a landlord that terminates a rental agreement for an immediate family member to occupy the unit. 4 votes supported the recommendation; 0 against
Affordable Housing EXEMPTION (17)(m)8.	<i>Recommendation for Council 2/27:</i> Exempt regulated affordable housing** units from all aspects of DPA. [DPA is what is now referred to as "relocation assistance."] Yes-4; No-0; Abstain-1 (Councilor Semple)

Small Landlord EXEMPTION (not in draft ordinance)	<i>Recommendation for Council 3/6: Do <u>NOT</u> add to the draft ordinance an exemption for small landlords.</i> 4 votes supported the recommendation; 0 against
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HPB did not have a majority vote for recommendation on the following items:

SMALL LANDLORD COMPENSATION FUND	<i>HPB discussed the small landlord compensation fund 2/6 but did not come to a majority vote on this statement: In the event small landlords are not altogether exempt, create a Small Landlord Compensation Fund for low-income landlords, at or below 80% area median income, as is our understanding of what low-income would be.</i> Yes-2; No-2; Abstain-1 (Commissioner Buch)*
Non-Renewal of Lease TRIGGER	<i>HPB discussed recommending removal of this trigger on 2/6 but did not come to a majority vote decision.</i> Yes-2; No-2; Abstain-1 (Commissioner Buch)*
LL Principle Residence EXEMPTION (17)(m)5.	<i>HPB discussed recommending this exemption on 3/6 but did not come to a majority vote decision for a landlord that temporarily rents out the landlord's principal residence during the landlord's absence of not more than 3 years.</i> Yes-2 ; No-2
LL Military Service EXEMPTION (17)(m)6.	<i>HPB discussed recommending this exemption on 3/6 but did not come to a majority vote decision for a landlord that temporarily rents out the landlord's principal residence during the landlord's absence due to active duty military service.</i> Yes-2 ; No-2

HPB did not discuss or make recommendations on any of the other exemptions in the draft ordinance. (17)(m)9-12.

* Commissioner Buch abstained from voting on 2/6 since she was new to HPB and had not been able to review everything. She said she would only be listening and not voting. At the next meeting (2/27), she declared a conflict of interest, due to her being a landlord in Eugene and as a relative of the Executive Director of St. Vincent DePaul, who runs an Affordable Housing agency. Commissioner Buch allowed Commissioner Farr to vote in her place for the rest of the deliberations on Relocation Assistance.

***"Regulated affordable housing" is intended to be a shorthand for the way "Affordable Housing" is defined in the ordinance; that is: "Housing that is guaranteed to be affordable, under guidelines established by the United States Department of Housing and Urban Development, to households that earn no more than 80 percent of the median household income for the city of Eugene, for a period of at least 20 years; or housing for low-income persons that is eligible for an exemption from systems development charges pursuant to section 7.725(2) of this code."

State Law Related to Phase II Renter Protections

The Oregon Residential Landlord Tenant Act, codified in ORS Chapter 90 regulates certain aspects of the landlord-tenant relationship. This document highlights specific portions of state law related to Renter Protections Phase II; it is not intended to address all state regulations related to the landlord-tenant relationship. This document was not created by an attorney and is not legal advice.

ITEM 6: LIMIT DEPOSITS

The state does not cap the amount a landlord can charge for a security deposit. Landlords are allowed to collect a pet deposit but may not charge a pet deposit for an assistance or service animals. State law allows landlords to collect a new or increased deposit if a tenant and landlord agree to modify the terms of the lease *after* the first year of tenancy *and* the additional security deposit is related to the modified lease terms. If landlords do require an additional deposit due to modified lease terms, they must allow tenants up to three months to pay the additional deposit. Landlords are also allowed to collect prepaid rent or “last month’s rent” in addition to the security deposit, but prepaid rent cannot be applied towards anything other than unpaid rent. State law requires that a landlord provide a receipt to the tenant for all security deposits. State law also requires that landlords provide a written accounting to the tenant stating the basis of a claim for all or any part of a security deposit within 31 days after the tenancy terminates and the tenant delivers possession of the unit.

ITEM 7: PROCESS APPLICATIONS IN THE ORDER RECEIVED

State law does not require landlords to process applications in the order received. State law prohibits discrimination based on protected class, including the race, color, religion, sex, sexual orientation, national origin, marital status, familial status or source of income of the applicant.

If landlords require an application screening charge, they must adopt written screening or admission criteria and inform the applicant of those criteria, including the cost of the screening fee, the landlord’s typical screening process, the tenant’s right to dispute any information provided by a screening company, a right to appeal a negative determination, and the landlord’s nondiscrimination policy.

When evaluating an applicant, a landlord may only consider evictions and criminal history under certain circumstances (listed below), and they must give the applicant a chance to explain, provide more context, or submit additional evidence regarding past offenses before denying an applicant, including:

- An eviction that occurred in the last 5 years as long as it was not dismissed in favor of the tenant.

- Evictions for nonpayment of rent unless it occurred between April 1, 2020 and March 1, 2022.
- Arrests for certain types of criminal conduct that resulted in convictions or pending charges and the applicant is not presently participating in a diversion, conditional discharge or deferral of judgment program on the charges.

If a landlord denies an application after the landlord's application of screening or admissions criteria, within 14 days of the denial the landlord must provide the applicant with a written statement of one or more reasons for the denial.

ITEM 8 – RELOCATION ASSISTANCE

State law requires that landlords provide relocation assistance to Oregon renters under certain circumstances. In February of 2019, SB 608 (codified in ORS Chapter 90) became effective and includes the following renter protections:

- 1) Prohibits most no-cause evictions **after** the first year of occupancy. (Landlords that live in the same building or on the same property as the tenant and the property has 2 or fewer units have some extra allowances related to no cause eviction);
- 2) Limits how much landlords can increase rent each year for dwellings that are 15 years old or older to 7% plus inflation (consumer price index (CPI)); and
- 3) Requires landlords with five or more units to pay the tenant one month's rent for relocation assistance if they use one of the four qualifying landlord-based reasons (listed below) to terminate a tenancy.

Qualifying landlord-based reasons. After the first year of occupancy a landlord can terminate tenancy with 90 days of notice for one of these four qualified "landlord-based" reasons:

- A. To demolish or convert the unit into something other than a residence;
- B. To make repairs or renovations to the unit, and the property will be unsafe to live in during renovations;
- C. For the landlord or the landlord's immediate family member to move in; or
- D. A unit sold to someone who plans to occupy as their primary residence.

Renter Protections Frequently Asked Questions

ITEM 6 - LIMIT DEPOSITS

1. Does the Oregon Landlord Tenant Act (ORLTA) regulate security deposits?

The state does not cap the amount a landlord can charge for a security deposit. Landlords are allowed to collect a pet deposit but may not charge for assistance animals, as defined by Fair Housing & Equal Opportunities. State law allows landlords to collect a new or increased deposit if a tenant and landlord agree to modify the terms of the lease after the first year of tenancy and the additional security deposit is related to the modified terms. If landlords do require an additional deposit due to modified terms, they must allow tenants up to three months to pay the additional deposit. Landlords are also allowed to collect prepaid rent or “last month’s rent” in addition to the security deposit, but prepaid rent cannot be applied towards anything other than unpaid rent. State law requires that a landlord provide a receipt to the tenant for all security deposits. State law also requires that landlords provide a written accounting to the tenant stating the basis of a claim for all or any part of a security deposit within 31 days after the tenancy terminates and the tenant delivers possession of the unit. Landlords are also required to provide a written accounting to the tenant stating the basis of a claim for all or any part of a security deposit within 31 days after the tenancy terminates and the tenant delivers possession of the unit.

2. Does the City of Eugene’s Rental Housing Code regulate any aspect of security deposits already?

Only related to documentation of the housing condition at move-in and move-out and written justification if the full deposit is not returned at move-out. On or before the date State law requires landlords to provide a written accounting to the tenant stating the basis of a claim for all or part of a security deposit (within 31 days after the tenancy terminates and the tenant moves out), the City of Eugene requires the landlord to provide a) documentation of the condition of the rental housing, and b) a written statement describing the condition or damage the landlord believes justifies the landlord’s refusal to refund the full security deposit. This Move-in/out Documentation of Unit Condition requirement applies to move-in/out dates starting 8/13/2022, which is the phase I ordinance effective date.

3. Why allow landlords to charge an additional security deposit for risk factors?

Allowing landlords to collect an additional security deposit for applicants who do not meet screening criteria incentivizes landlords to accept applicants with risk factors, such as income or credit scores that do not meet the screening requirements, criminal history, and previous evictions that may be used to deny an applicant pursuant to State law.

4. What defines Assistance Animal?

An assistance animal provides assistance or performs tasks for the benefit of a person with a disability. Assistance animals can also provide emotional support that alleviates the effects of a person's disability. An assistance animal is not a pet. Even if a lease says "no pets" or restricts pets, under the Fair Housing Act, landlords are required to make a "reasonable accommodation" to allow assistance animals. There is no official certification or training for assistance animals, and they can assist in a wide variety of ways. Breed and weight restrictions do not apply to assistance animals.

ITEM 7 – PROCESS APPLICATIONS IN THE ORDER RECEIVED

5. Do landlords have to offer the rental unit to the first application that comes along even if the applicant doesn't meet the screening criteria (such as bad credit, unable to pay rent, or poses a risk of danger)?

No. The draft ordinance states that a landlord must process applications in the order received and accept the first *qualified* applicant. Landlords are legally allowed to apply screening criteria and deny an application in accordance with the Fair Housing Act and the Oregon Residential Landlord and Tenant Act (ORS 90.303 & ORS 90.304).

6. Is there some flexibility in processing applications in the order received for shared housing situations?

Yes. The draft ordinance exempts units shared with other tenants under separate rental agreements. Similarly, if the landlord shares the dwelling unit with a tenant, or lives on the same parcel of land with an ADU, duplex, or in a unit of Middle Housing, they are exempt from the requirement to process applications in the order.

7. What is "meaningful access" and who is it for?

Meaningful access is for applicants with limited English proficiency that may need to use or obtain language assistance services or resources to understand and communicate effectively. If an applicant with limited English proficiency requests additional time to complete their application, the draft ordinance requires that a landlord "hold" the applicant's place in line for up to 72 hours.

8. Why allow applicants more time to apply and how would this effect the order of applications?

Applicants with limited English proficiency may need to request extra time so they can obtain language assistance or resources (on their own) to complete an application. The draft ordinance says the applicant must submit their completed application within 72 hours of the request for extra time to be considered for the

rental unit. If after 72 hours, the applicant does not submit a completed application, the landlord can move to the next application in line. The landlord is not required to provide translation or language assistance. The draft ordinance only requires that a landlord inform applicants of the ability to request additional time in the advertisement of the rental unit.

ITEM 8 – RELOCATION ASSISTANCE

9. Is relocation assistance required by state law?

State law requires relocation assistance to Oregon renters under certain circumstances. In February of 2019, SB 608 (codified in ORS Chapter 90) became effective and includes the following renter protections: 1) Prohibits most no-cause evictions after the first year of occupancy, 2) Limits how much landlords can increase rent each year for dwellings that are 15 years old or older to 7% plus inflation (consumer price index (CPI)), and 3) Requires landlords with five or more units to pay the tenant one month's rent for relocation assistance if they use one of the 4 qualifying landlord-based reasons (listed to below) to terminate tenancy. Landlords that live in the same building or on the same property as the tenant and the property has 2 or fewer units have some additional allowances related to no cause eviction.

Qualifying landlord-based reasons. After the first year of occupancy a landlord can terminate tenancy for one of these four qualified “landlord-based” reasons:

1. To demolish or convert the unit into something other than a residence;
2. To make repairs or renovations to the unit, and the property will be unsafe to live in;
3. For a landlord's immediate family member to move in; or
4. A unit sold to someone who plans to move in.

Staff are tracking proposed Oregon legislative bills and concepts that may impact local renter protections, such as Senate Bill 611, which would lower the rent increase cap rent increases at no more than 10% or 5% plus inflation, whichever is less.

10. What are the costs for relocation?

Moving costs can range from hundreds to thousands of dollars depending on the household size, number of bedrooms, equipment rentals, daycare costs, cleaning fees, lost wages, plus application fees and move-in costs to secure new housing. 55% of renters in Eugene are housing cost-burdened (paying 30% or more of their income on housing) and generally have lower household incomes. In 2019, renters' median household income was \$32k compared to homeowners \$80k. This means that many renters live paycheck to paycheck and are unable to save for unexpected moving costs, even when given several months' notice. Landlords are not required

to return a security deposit to a tenant until 31 days after the tenant vacates, which means that even if the landlord returns any or all of the security deposit, the security deposit is not available for relocation costs until after a tenant has already moved.

11. If I rent a room to a tenant in my principal residence, am I exempt from relocation assistance?

Yes, the draft ordinance says the landlord is exempt and does not need to pay relocation assistance, if prior to the landlord triggering relocation assistance, the landlord has a) lived in the unit for a least six months b) informed the tenant of the exemption in writing per the timing in, and c) registered the exemption with the City.

12. If I rent a unit of middle housing, a duplex, or an ADU on the same parcel as my principal residence, am I exempt from relocation assistance?

Yes, the draft ordinance says the landlord is exempt and does not need to pay relocation assistance, if prior to the landlord triggering relocation assistance, the landlord has a) lived on the same lot or parcel for a least six months, b) informed the tenant of the exemption in writing per the timing in, and c) registered the exemption with the City.

13. Why exempt shared dwellings, ADUs, and Middle Housing from relocation assistance?

The exemptions in the draft ordinance for shared dwellings, ADUs, and Middle Housing only apply when the landlord has lived in the unit as their principal residence for at least six months prior to triggering relocation assistance, provided the required notice to the tenant, and registered the exemption with the City. The exemptions align with state law which provides an exception to the ban on no-cause evictions after the first year for landlords who live on the property (for example in a duplex or house with an ADU). The City wants to encourage ADUs, Middle Housing, and property owners to help address the rental housing supply shortage. Exempting these types of housing aims to strike a balance and help provide relief for smaller landlords who are adding to the supply.

14. Why exempt Affordable Housing (AH) from certain relocation assistance aspects?

AH developments already follow a myriad of state and federal regulations aimed at protecting tenants from extreme rent increases and keeping housing affordable for low-income and extremely low-income tenants. Two specific reasons relocation assistance triggers would not apply to AH developments are: 1) they need pre-approval for rent increases above 5%. The pre-approval process is rigorous,

administratively burdensome, and requires the AH development to justify the increase; 2) AH developments are generally prohibited from no-cause evictions.

15. I am the tenant who is party to the rental agreement with my landlord. I sublet to another renter. If my landlord triggers relocation assistance would I be required to pay the subletter relocation assistance?

No. A “lead tenant” who is party to the rental agreement with a landlord would not be required to pay relocation assistance to a subletter.

16. If a landlord issues a rent increase notice that exceeds 5% and the tenant requests relocation assistance, can the landlord and tenant renegotiate the increase, so that the tenant chooses to stay in unit, which would not trigger relocation assistance?

Yes. The draft ordinance does not prohibit a landlord and tenant from renegotiating the rent increase after a tenant requests relocation assistance. If a tenant stays in the unit after a rent increase, the rent increase does not trigger relocation assistance.

17. What if the tenant requests relocation assistance for a rent increase that exceeds 5%, receives the payment from the landlord and then decides to remain in the unit?

The draft ordinance says if the tenant decides to remain in the unit after receiving a relocation assistance payment, the tenant must return the relocation payment to the landlord within 45 days. The tenant is obligated to pay the increased rent in order to remain in the unit.

18. Should Eugene’s rent increase trigger be different (lower) than other cities’ (e.g. Portland 10%, LA 10%, Seattle 10%) to account for wage stagnation?

If Council decides to keep the rent increase trigger for relocation assistance, Council could decide on a different trigger amount for the draft Phase II Ordinance. If Council wanted to adjust the percentage based on wage stagnation and the cost of rental housing compared to other cities, that would require further economic analysis.

19. What if the landlord triggers relocation assistance and the landlord believes the tenant owes the landlord money? Can the landlord deduct that amount from the relocation assistance payment?

If a tenant owes the landlord money, a landlord has a remedy under Oregon Residential Landlord and Tenant Act to seek action, and the landlord may have grounds for issuing a for-cause eviction notice, which does not trigger relocation assistance.

The draft ordinance does not provide an option to deduct money owed to a landlord from the relocation assistance payment. Relocation assistance is a separate transaction from any money a tenant owes for past due rent, late fees, utilities, damages, or the security deposit as these transactions are already regulated by state law.

20. If Council adds relocation assistance to the Rental Housing Code and a 90-day rent increase notice had already been issued when the ordinance becomes effective, will it apply retroactively?

No. Relocation assistance will not apply retroactively. If the draft ordinance is adopted by Council, it will only apply to triggering events that occur after the ordinance effective date.

21. If Council adds relocation assistance to the Rental Housing Code, how will the City circle back and analyze how it's going?

The draft ordinance requires landlords to report a payment to the City when they trigger relocation assistance using a City form. The data collected on the form will be used to track the number of relocation assistance payments, the triggering events, number of bedrooms in the unit, and location. The draft ordinance also requires landlords to report evictions. The eviction data will be used to better understand how, when, and where evictions happen for the purpose of assessing community needs and informing policy makers.

Rental property owners have raised concern that small landlords/rental property owners will sell their properties as a potential consequence of additional regulations on landlords. Data pulled from the City's Rental Housing Code billing program can be used to monitor the number of rental units registered with that program and whether they increase or decrease year over year. However, even though the data may indicate an increase/decrease in the number of rental units, there is no way of knowing the direct cause for the change. Anecdotally, it is possible that some small landlords will sell their rental property with additional regulation, but there are many unrelated factors that could lead a rental owner to sell a property. Further, if a rental property is sold, that does not guarantee that the property will cease to be used as a rental property.

EVICTIONS

22. How do landlords terminate tenancy and evict tenants?

Terminating a tenancy is not a single event. The Oregon Landlord Tenant Act (ORLTA) defines the process of eviction as a series of steps for landlords and tenants. First, a landlord must serve a tenant with a written termination notice. If

the tenant does not move out by the designated termination date, a landlord can file a complaint with the court. A court eviction case includes the potential for a default judgment of eviction, negotiating an agreement between the tenant and landlord, going to trial; and finally, may end in a judgment of eviction and tenant lockout by the sheriff's department if the tenant does not move out by the date/time chosen by the judge. Below are the types of evictions allowed in Oregon.

No cause or without cause. This is when a landlord terminates tenancy without giving a reason. In Oregon, no cause evictions are only allowed within the first year of tenancy (unless the tenant lives in the same building or on the same property as the landlord's primary residence, and the building or the property contains not more than two units). This is also referred to as terminating without cause. Landlords must give tenants 30-day's notice before terminating without cause for a month-to-month tenancy during the first year. Landlords may not terminate a fixed term tenancy without cause unless the ending date for the fixed term tenancy falls within the first year of occupancy.

For cause. This is when a landlord believes a tenant has violated the terms of the rental agreement. The most common for cause termination is for non-payment of rent. For cause reasons can also be for pet violations, unauthorized smoking, noise violations, and dangerous or extreme behavior. Timelines to cure or fix the alleged violation vary depending on the terms of tenancy and the type of violation. The tenant can generally remain in the unit if they fix the issue within the timeframe allowed. If the tenant does not fix the issue and remains in the unit, the landlord can start the eviction process in court.

Qualifying landlord-based reasons. After the first year of occupancy a landlord can terminate tenancy for cause or one of these four qualified "landlord-based" reasons (listed above in #9). If a landlord uses any of the four qualifying landlord-based reasons to evict a tenant, the landlord must pay the tenant one month's rent as relocation assistance. Landlords with ownership interest in 4 or fewer residential properties do not have to pay relocation assistance.

GENERAL

23. Who was involved in drafting Phase II renter protections?

City Council and staff received a great deal of input on the proposed Phase II Renter Protection ordinance. Community members received information on the Renter Protections process via the Renter Protection Interested Parties list, the Rental Housing Code contact list, and through updates on the Renter Protection and Rental Housing Code webpages. Staff also provided information about the proposed Renter Protections and the Council process to existing advocacy and membership groups

for both renters and landlords, requesting that they help distribute this information as broadly as possible. Staff met with advocates for landlords and tenants and held facilitated listening sessions in Fall 2022 to hear input on Phase II Renter Protections. Because of the challenges of the topic and personal investment in the discussion, including the inherent power differential between landlords and tenants, it has been important to get feedback from them separately. Additional information related to the Renter Protections process is available at <https://www.eugene-or.gov/4885/Renter-Protections-Process>.

24. What would it take to have a centralized application system?

Council requested additional information on a universal application portal at the November 22, 2021 work session. Staff brought back feasibility information to the March 16, 2022 work session. This item was not moved forward because a universal application portal would be time-intensive and cost prohibitive to develop, operate, and maintain into the future. Staff researched examples of similar attempts that had not worked or were abandoned. An attempt at a state-level application program has been put on hiatus and did not move beyond a financial impact study. Other protections were deemed to offer a bigger impact for a lower cost.

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Financial Condition and Revenue Update

Meeting Date: June 28, 2023
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 2
Staff Contact: Twylla Miller
Contact Telephone Number: 541-682-8417

ISSUE STATEMENT

This work session is a continuation of the Financial Condition and Revenue Update work session on June 21, 2023 to understand evolving financial needs and the approach for continued revenue and service prioritization discussions.

BACKGROUND

This work session will continue the discussion on the need for additional revenues and/or service changes to address the \$8.3 million structural gap in the General Fund along with other critical funding needs for services as we come into the 2023-2025 biennium. This is an opportunity to ensure common understanding and for staff to receive feedback on approach before finalizing the process for City Council and revenue committee engagement.

PREVIOUS COUNCIL DIRECTION

[September 14, 2022 Work Session](#)

This session was an information update on the condition of the General Fund and the future financial outlook.

[February 27, 2023 Work Session](#)

This session provided a high-level budget update and a recommendation for a revenue team to develop funding strategies for unfunded services.

[April 12, 2023 Work Session](#)

This session provided an updated Revenue Committee proposal to develop funding strategies for unfunded services.

[April 26, 2023 Budget Committee Meeting](#)

The City Manager presented the 2023-2025 Proposed Budget.

[May 10, 2023 Budget Committee Meeting](#)

The Budget Committee received presentations on Alternative Response, Downtown Services, and Unhoused Services.

May 17, 2023 Budget Committee Meeting

The Budget Committee received presentations on the Fire Engine/Squad proposal, Climate Recovery, and URA Frozen Base.

May 24, 2023 Work Session

This session provided information on unfunded/underfunded service levels as Council considers a potential scope for the Revenue Committee.

June 21, 2023 Work Session

This session provided high level information on the financial condition of the City and discussion on a revised approach to addressing the structural gap in the General Fund and other funding and service prioritization needs.

COUNCIL OPTIONS

This is an informational work session only.

CITY MANAGER'S RECOMMENDATION

None.

SUGGESTED MOTION

None.

ATTACHMENTS

None.

FOR MORE INFORMATION

Staff Contact: Twylla Miller, Chief Financial Officer

Telephone: 541-682-8417

Staff E-Mail: tmiller@eugene-or.gov