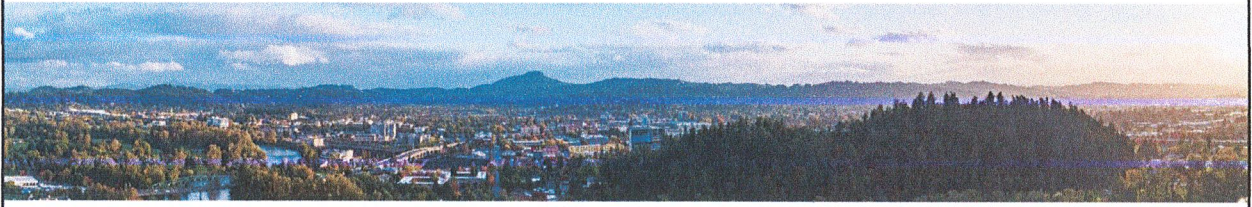




Renter Protections, Phase II

City Council Work Session
June 21, 2023



1

1

Phase II Items



Security Deposit limitation



Processing Applications in order received

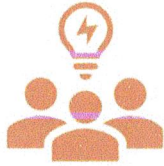


Relocation Assistance

2

2

Brief Recap: Phase II Renter Protections



October 2022 Work session

- Council direction to return with a draft ordinance in early 2023



Housing Policy Board

- Met 7 times to discuss relocation assistance
- Relocation Assistance Recommendations (Attachment F)



March 2023 Public Hearing

- 86 speakers & 100+ written comments
- Follow up conversations with advocates for landlords and tenants

3

3

State Law: Related to Phase II Items

Attachment G



Security Deposits

- **No cap on security deposits**
- Pet deposits allowed; not for assistance animals
- Additional deposit allowed after 1 year; 3 months to pay it



Processing Applications

- **No rule for order of processing**
- Prohibits discrimination based on protected class
- Requires screening criteria & nondiscrimination policy
- Special rules for evaluating evictions & criminal history
- Must provide statement of denial reasons



Relocation Assistance, Rent Increases, & Evictions

- **Relocation assistance: 1 month's rent for 4 landlord-based reasons; landlords w/ 5+ units**
- Rent increases capped at 7% + CPI; buildings <15 years old exempt
- Limits no-cause evictions
- After 1st year, two ways to evict:
 - Legal just-cause
 - 4 landlord-based reasons

4

4

Attachment C

Administrative & Programmatic Package - Motion A

	Draft Ordinance	Motion A Items
Security Deposits	Additional deposit for risk factors: ½ month's rent	6.a. Increase to 1 month's rent
Processing Applications	Language access additional time up to 72 hours	7.a. Decrease additional time: up to 24 hours
	"Repeated violations" not defined	7.c. Define as 3 repeated violations in the preceding 12 months
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 <u>all</u> written termination notices	E.2. Limit to only notices that result in termination of tenancy
Enforcement	Written complaint + 48 hours before reporting to code compliance; City corrective notices by first class mail	E.3. Allow phone calls to report violations to City; allow faster delivery methods for City notices

5



Relocation Assistance - Draft Ordinance

Topic	Draft Ordinance
Triggers	5 Triggers
Payment Amount	Not less than 3x FMR
Exemptions	12 Exemptions
Small Landlord Compensation Fund	80% AMI and 4 or fewer units

6



Relocation Assistance - Triggers

- a) No-cause evictions in the first year of tenancy
- b) Rent increases of 5% or more per year and tenant moves out
- c) Qualifying landlord-based reasons
- d) Declining to renew a fixed term lease
- e) Substantial changes of lease



HPB recommended including the above triggers a) and b) at 9.9% or inflation adjusted; Remove trigger e). No majority vote on triggers c) or d).

7

7



Relocation Assistance - Payment Amount

- Set by the City Manager
- Not less than 3x the HUD fair market rent (FMR)



Recommended **current monthly rent** (instead of HUD FMR so relocation assistance is based on what the tenant pays in rent instead of having a set amount for every tenant).

8

8



Relocation Assistance - Exemptions

Circumstances in which a landlord would NOT pay relocation assistance.
As modeled on Portland's Mandatory Relocation Assistance program include:

- | | |
|---|--|
| 1 Week to week tenancies | 7 Termination for an Immediate Family Member to occupy the unit |
| 2 Landlord and tenant occupy the same dwelling | * 8 A rent increase or termination of tenancy for a unit of Affordable Housing ; does not include non-renewal & substantial change of lease |
| 3 Landlord and tenant occupy the same Middle Housing parcel | 9 A dwelling unit impacted by the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 |
| 4 Landlord that rents a Dwelling Unit on a property with an ADU and lives on site | 10 Dwelling Unit rendered immediately uninhabitable |
| 5 Landlord that temporarily rents out their Principal Residence for not more than 3 years | 11 Dwelling Unit rented for less than 6 months with demolition permit submitted prior to signing agreement |
| 6 Landlord that temporarily rents out their Principal Residence due to active military service | 12 Fixed term tenancy where the tenant was notified in advance of intent to sell or permanently convert the unit |

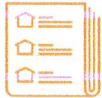


Include exemptions 1,2,3,4 & 8; remove ⚠ 7.

* **Affordable Housing** be exempt from all aspects of relocation assistance.

9

9



Relocation Assistance - Small Landlord Compensation Fund

- Landlords at or below 80% of Area Median Income (AMI)
- 4 or fewer units
- One reimbursement / year

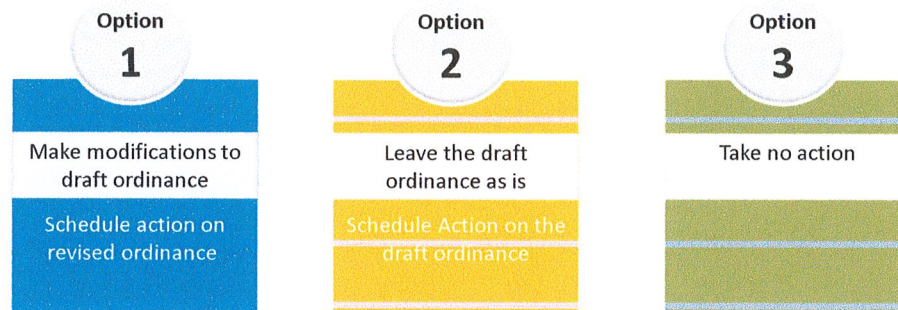


Small landlord fund was first proposed to HPB to be in lieu of exemptions. No majority vote on the fund. Voted NO on adding small landlord exemption.

10

10

Council Options: Phase II



11

11



Decision Guide - Relocation Assistance

Attachment B

	Draft Ordinance	Motion	Options
Triggers	5 Triggers	B.1. Remove the following relocation assistance trigger(s) _____	<ul style="list-style-type: none"> Remove some or all triggers Keep as drafted
		B.2. Set rent increase trigger at _____	<ul style="list-style-type: none"> Specific amount Specific amt + inflation Keep as drafted
Payment Amount	Not less than 3x FMR	C. Change the relocation assistance payment amount to _____	<ul style="list-style-type: none"> 3x monthly rent Keep as drafted Other
Small Landlord Compensation Fund	80% AML and 4 or fewer units	D.1. Remove the fund	<ul style="list-style-type: none"> Yes No
Exemptions	12 Exemptions	D.2. Remove the following exemption(s) _____	<ul style="list-style-type: none"> Remove some or all exemptions Keep as drafted
		D.3. Exempt Affordable Housing from ALL relocation assistance triggers	<ul style="list-style-type: none"> Yes Keep as drafted

12

12

Next Steps for Phase II

- Council direction on refinement of the draft ordinance, if any, and to set a date for potential action.



13

13

Approach for Work Sessions

6/21 (W), 45-minute Work Session:

- Staff presentation and initial Council conversation

6/26 (M), 90-minute Work Session:

- Continued discussion, consideration of potential motions A through D, and direction

**A. Administrative
& Programmatic
Package**

**B. Relocation
Assistance –
Triggers**

**C. Relocation
Assistance –
Payment Amount**

**D. Relocation
Assistance –
Exemptions &
Small LL Fund**

14

14