March 16, 2022 Work Session

EUGENE CITY COUNCIL AGENDA
March 16, 2022

12:00 p.m.  CITY COUNCIL WORK SESSION
As the state and community recover from the COVID-19 pandemic, City Council meetings will continue to be held remotely using 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

Meeting of March 16, 2022;
Her Honor Mayor Lucy Vinis Presiding

Councilors
Claire Syrett, President         Matt Keating, Vice President
Mike Clark                        Greg Evans
Randy Groves            Emily Semple
Jennifer Yeh            Alan Zelenka

12:00 p.m.  CITY COUNCIL WORK SESSION

1.  WORK SESSION: Renter Protection Follow-up

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.
EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Work Session: Renter Protections

Meeting Date: March 16, 2022
Department: Planning & Development

www.eugene-or.gov

ISSUE STATEMENT
Renter protections, as a form of public policy, can influence landlord management practices and decisions around renter concessions and evictions. At this work session, Council will review and discuss the draft roadmap for renter protections, including a proposed first phase of implementation for four of the measures discussed at the November 22, 2021 work session. Council will have the opportunity to provide direction on which renter protections, if any, to bring back for further consideration.

BACKGROUND
Even before the COVID-19 pandemic, Council recognized that renters in our community need additional support, resources, and protections. The issue has grown more critical through the pandemic and its economic consequences, magnifying the need for renter protections. Over half of all Eugene households rent housing and over half of all renters in Eugene are considered “housing cost burdened” (a household that pays 30% or more of their income for housing). With Eugene’s expected population growth, housing costs will continue to rise, which will effectively push some of the most vulnerable renters out of housing. Regulation of the contractual relationship between rental property owners and renters, along with expanding the City’s services and connection to the rental market, are ways that the City can support renters and rental property owners. Ultimately, the goal is to get more people into housing and, once there, to keep them in housing.

On November 22, 2021, Council reviewed the Housing Policy Board’s recommendation for renter protections and directed the City Manager to return with information about the feasibility and resources needed to implement those renter protections plus six additional items. The draft roadmap (Attachment A) includes the protections under consideration along with information on the feasibility of implementing those protections and staff's recommendations. In the roadmap, staff proposes a phased implementation and includes summary information on anticipated impact, funding needs and sources, implementation, and enforcement. A guide to the roadmap is included in Attachment B with more information.

The proposed phasing for the protections is based on the legal analysis available at this time, as well as the complexity of implementation. The protections included in Phase I are those where the impact on renters is positive and the cost of administering and enforcing the protections would be revenue-backed. Renter protections listed in Phases II and III are more complex and need additional research on the feasibility of enforcement, the extent of the impact, and the results of pending litigation and potential changes in State law. Phase II and III protections may also be more difficult or complex to effectively administer.

The proposed Phase I protections are:

1. **Support Services.** Fund a rental housing navigator position; expansion and management of rental housing data collection; code enforcement of the protections; and other tenant support services, such as a tenant hotline and eviction diversion; all with funds from an increased Rental Housing Code door fee. The rental housing navigator will support renters and landlords, and also assist with solutions and support for a) ex-offenders and other classes of people with similar challenges struggling to qualify for rental housing, and b) community members who need ADA compliant units.

2. **Move-in/out documentation.** Require landlords to itemize and photo document property condition at move-in and move-out, and to itemize and photo document withholdings from security deposit. The tenant shall receive copies.

3. **Rental History.** Require landlord, at tenant written request, to provide rental history (reference) for a tenant who has not yet given notice.

4. **Information on Renters’ Rights/Landlords’ Obligations.** Require landlords to distribute, together with any written rental agreement, an educational document describing Senate Bill 608 with regard to terminations. The City will be responsible for creating, updating, and posting the educational material. Any local renter protections will be included plus information about the rental housing code program.

Answers to Councilor questions and requests for additional information from the November 22, 2021 work session are in Attachment C. For additional context, information on renter resources is in Attachment D.

Since the November 2021 work session, staff has collected feedback and more information on the potential protections from a variety of sources. On January 18, 2022, staff introduced the renter protections to the City’s Sustainability Equity Panel, which supported the proposals and offered honed perspectives on the usefulness and perceived impacts of the protections. Staff also received feedback on the proposed renter protections from Sponsors, SETA, and several rental property owners and renters in the community. Council heard directly from several community members during Public Forums. Staff responded to the numerous emails submitted to the Mayor and Councilors by directing individuals who submitted comments to a webpage with information on the current renter protections under consideration, the process by which they were developed, future opportunities for interested parties to comment, and an invitation to join an interested parties list. Staff also sent an email to the interested parties list for the City’s existing Rental Housing Code program to inform those rental property owners and renters of Council’s consideration of renter protections.
Potential Next Steps
If Council has interest in moving forward with the Phase I protections, the next steps would be for staff to draft an ordinance to amend the code, Council to hold a public hearing on the ordinance, and Council to take action on the ordinance. If Council has interest in continuing to explore the Phase II and III protections, staff can conduct the needed additional analysis and return with an updated roadmap for Council direction.

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.

AHTF Direct Service Funding
In July 2021, staff postponed awarding the direct services portion of the FY22 Affordable Housing Trust Fund (AHTF) allocation until Council had reviewed the Housing Policy Board’s renter protections recommendations to determine if any funding would be needed to support implementation. If Council decides to move forward with the proposed Phase 1 protections, a portion of the AHTF funds may be needed to support the start of this work. As such, a portion of the AHTF funding will be retained for that potential purpose, approximately $100K. (The remaining FY22 AHTF direct services funding will be used for direct services, specifically for homebuyer assistance affirmatively marketed to Black, Indigenous and people of color individuals and households.)

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

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Housing Policy Board recommendations plus the other renter protections discussed during the meeting.

COUNCIL OPTIONS
1. Direct the City Manager to a) schedule a public hearing and action on Phase I protections and b) return separately with a feasibility analysis on Phase II and III protections.
2. Direct the City Manager to a) schedule a public hearing and action on a modified set of Phase I protections and b) return separately with the feasibility analysis on Phase II and III protections.
3. Wait to provide direction until after the feasibility analysis is done on the Phase II and III protections.

CITY MANAGER’S RECOMMENDATION
The City Manager supports pursuing option 1.

SUGGESTED MOTION
Direct the City Manager to schedule a public hearing and action on the protections included in Phase I as described in this AIS, and bring back information on the feasibility of and resources needed to implement Phases II and III.

ATTACHMENTS
A. Renter Protections Roadmap
B. Guide to the Roadmap
C. Additional Information Requested by Councilors at the November 22, 2021 Work Session
D. Renter Resources Contextual Information

FOR MORE INFORMATION
Staff Contact: Genevieve Middleton
Telephone: 541-682-5529
Staff E-Mail: Genevieve.A.Middleton@eugene-or.gov
## RENTER PROTECTIONS ROADMAP

<table>
<thead>
<tr>
<th>PHASE</th>
<th>RECOMMENDATION</th>
<th>ACTIVITY</th>
<th>IMPACT</th>
<th>FUNDING</th>
<th>HOW TO IMPLEMENT</th>
<th>ENFORCEMENT</th>
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<tbody>
<tr>
<td>I</td>
<td>1. Fund a rental housing navigator position; expand and manage rental housing data collection; code enforcement of the protections; and other tenant support services, such as a tenant hotline and eviction diversion. The housing navigator will also assist with solutions and support for a) ex-offenders and other classes of people with similar challenges struggling to qualify for rental housing and b) community members who need ADA compliant units.</td>
<td>Support Services</td>
<td>Regular</td>
<td></td>
<td>Code Amendment to expand use of fee; Administrative Order to increase fee</td>
<td>Complaint driven, code enforcement</td>
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<td></td>
<td>2. Require landlords to itemize and photo document property condition at move-in and move-out, and to itemize and photo document withholdings from security deposit. The tenant shall receive copies.</td>
<td>Move In/Move Out</td>
<td>Regular</td>
<td>Revenue Backed</td>
<td>Code Amendment</td>
<td>Complaint driven, code enforcement</td>
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<td></td>
<td>3. Require landlord, at tenant written request, to provide rental history (reference) for a tenant who has not yet given notice.</td>
<td>Move In/Move Out</td>
<td>Regular</td>
<td></td>
<td>Code Amendment</td>
<td>Complaint driven, code enforcement</td>
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<tr>
<td></td>
<td>4. Require landlords to distribute, together with any written rental agreement, an educational document describing Senate Bill 608 with regard to terminations. The City will be responsible for creating, updating, and posting the educational material. Any local renter protections will be included + information about the rental housing code program.</td>
<td>Move In/Move Out</td>
<td>Regular</td>
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<td>Code Amendment</td>
<td>Complaint driven, code enforcement</td>
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### PHASE II & III REQUIRE FEASIBILITY ANALYSIS

<table>
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<tr>
<th>PHASE</th>
<th>RECOMMENDATION</th>
<th>ACTIVITY</th>
<th>IMPACT</th>
<th>FUNDING</th>
<th>HOW TO IMPLEMENT</th>
<th>ENFORCEMENT</th>
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<tbody>
<tr>
<td>II</td>
<td>5. 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.</td>
<td>Application</td>
<td>Regular</td>
<td></td>
<td>Needs additional research</td>
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<td>II</td>
<td>6. Process applications in the order received (first-come, first-served)</td>
<td>Application</td>
<td>Regular</td>
<td></td>
<td>Code Amendment</td>
<td>Complaint driven, code enforcement</td>
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<tr>
<td>III</td>
<td>7. Displacement assistance for legal no cause evictions.</td>
<td>Support Services</td>
<td>Regular</td>
<td></td>
<td>Code Amendment</td>
<td>Complaint driven, code enforcement</td>
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<td></td>
<td>8. Ban application &amp; screening fees. (8,9,10 need to be considered together)</td>
<td>Application</td>
<td>Regular</td>
<td></td>
<td>Needs additional research</td>
<td></td>
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<td></td>
<td>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. (8,9,10 need to be considered together)</td>
<td>Application</td>
<td>Regular</td>
<td></td>
<td>Code Amendment</td>
<td>Complaint driven, code enforcement</td>
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<td></td>
<td>10. Loosen minimum monthly gross income screening standards. (8,9,10 need to be considered together)</td>
<td>Application</td>
<td>Regular</td>
<td></td>
<td>Code Amendment</td>
<td>Complaint driven, code enforcement</td>
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<td></td>
<td>11. Local prevention of, or moratorium on, no cause evictions.</td>
<td>Support Services</td>
<td>Regular</td>
<td></td>
<td>Code Amendment</td>
<td>Complaint driven, code enforcement</td>
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### Items below are not recommended to move forward

<table>
<thead>
<tr>
<th>RECOMMENDATION</th>
<th>ACTIVITY</th>
<th>IMPACT</th>
<th>FUNDING</th>
<th>HOW TO IMPLEMENT</th>
<th>ENFORCEMENT</th>
</tr>
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<tbody>
<tr>
<td>12. Require landlords who have units designed for mobility access to give priority for a 3-day period to applicants who have a mobility need for that particular unit.</td>
<td>Application</td>
<td>Regular</td>
<td></td>
<td>This recommendation would be administratively burdensome to monitor and enforce. Community members with disabilities may be better served through the Housing Navigator’s work in collaboration with other service providers already working with community members with disabilities. (See 1. above)</td>
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<tr>
<td>13. A universal application portal.</td>
<td>Application</td>
<td>Regular</td>
<td></td>
<td>The time and cost involved in developing the City’s own application portal is prohibitive. Staff have looked for similar programs in other jurisdictions but have not been able to find any successful examples. An attempt at a state-level application program has been put on hiatus and does not look like it was ever successfully functioning.</td>
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<tr>
<td>14. Reimbursement to renters for improvements or value added by them - with landlord approval - to rental property.</td>
<td>Move In/Move Out</td>
<td>Regular</td>
<td></td>
<td>In addition to being administratively burdensome for the City to enforce and monitor, the Oregon Residential Landlord and Tenant Act already contemplates that a landlord and tenant could agree to conduct repairs, routine maintenance, or cleaning services to a dwelling unit in exchange for a rent reduction.</td>
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Guide to the Roadmap

The renter protections roadmap is a formatted table to provide high level summary information. On November 22, 2021, Council reviewed Housing Policy Board’s recommendation for renter protections and directed the City Manager to return with information about the feasibility and resources needed to implement those renter protections plus six additional items. The roadmap includes proposed phasing and summary information on anticipated impact, funding, implementation, and enforcement. The following explains the roadmap.

How the roadmap is organized
The Attachment A roadmap items are grouped by Phases I, II, and III. The protections included in Phase I are those where the impact on renters is positive and the cost of administering and enforcing the protections would be revenue-backed. Renter protections listed in Phases II and III are more complex and need additional research on the feasibility of enforcement and administration, the extent of the impact, and the results of pending State legislative changes. Items not recommended to move forward are shown at the bottom of the table. The roadmap contains columns for activity, impact, funding, implementation, and enforcement. The symbol key is shown at the top of the table. Additional information about the impact categories and funding is below followed by information on each of the proposed renter protections.

Impacts Categories
The impacts 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. Renter protection measures can play an important role in influencing landlord decisions around renter concessions and evictions.¹

- **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. “Local policies implemented in the wake of the pandemic will contribute to the shift in a positive correlation between rental nonpayment and landlord management responses that keep people housed.”²

- **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. “The COVID-19 pandemic has exacerbated the affordability crisis, especially for households that were already cost burdened. Even before 2020, the number of households paying more than 30 percent of income for rent remained stubbornly high, and the job losses over the past two years are likely to have left even more renters struggling to pay for rent.”³

- **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

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² Id.

³ *America’s Rental Housing 2022.* Joint Center for Housing Studies of Harvard University. 2022.
of future housing. “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. A study found that almost 15 percent of American children born in large cities between 1998 and 2000 had experienced an eviction by age 15. The percentage was approximately 29 percent for children living in deep poverty. (Lundberg and Donnelly. 2019. A Research Note on the Prevalence of Housing Eviction Among Children Born in U.S. Cities. *Demography*, 56(1), 391–404). 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. (Greenberg, Gershenson, and Desmond. 2016. Discrimination in Evictions, *Harvard Civil Rights-Civil Liberties Law Review*, 51, 115 – 158).”

**Funding**

The Phase I bundle of items is a revenue backed proposal based on increasing the rental housing code door fee to create and administer a new renter protections program. The cost would include staffing for the housing navigator position, code enforcement, and data management plus related non-staffing costs. The estimated cost for code enforcement will depend in part on how many complaints are received. Funding information is provided for each of the individual Phase I items below.

**Items Proposed for PHASE I**

The protections included in Phase I are those where the impact on renters is positive and the cost of administering and enforcing the protections would be revenue-backed.

<table>
<thead>
<tr>
<th>PHASE I</th>
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<tbody>
<tr>
<td>1. Housing navigator, data, code enforcement, and other tenant support services</td>
<td></td>
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<td>2. Move-in/out documentation</td>
<td></td>
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<tr>
<td>3. Rental history &amp; reference</td>
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<tr>
<td>4. Information on Renters’ Rights</td>
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</tbody>
</table>

1. **Fund a rental housing navigator position; expansion and management of rental housing data collection; code enforcement of the protections; and other tenant support services, such as a tenant hotline and eviction diversion; all with funds from an increased Rental Housing Code door fee. The rental housing navigator will also assist with solutions and support for a) ex-offenders and other classes of people with similar challenges struggling to qualify for rental housing, and b) community members who need ADA compliant units.**

The increased funding would be for the rental housing code program in Building and Permit Services, a new Housing Navigator position within the Planning and Development Department, and tenant support programs such as the Springfield-Eugene Tenant Association. The Housing Navigator position is a critical component of realizing the current needs for improved local rental housing data metrics; coordinating with local organizations to strengthen opportunities for persons with disabilities to access rental housing;

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4 [FY 2021 Eviction Protection Grant Program | HUD.gov / U.S. Department of Housing and Urban Development (HUD)]
collaborating with code enforcement; providing simplicity, efficiency, and options for tenants and landlords; and overseeing the success of the renter protections program areas.

The Housing Navigator position would provide services to both landlords and tenants by developing resources and training materials. These materials would support the work already being done by community housing agencies working with individuals more susceptible to housing insecurity.

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

**Estimated Cost.** This item is a revenue backed proposal. The current door fee is $10 per year, which was set in 2004 when the Rental Housing code was adopted. An increased door fee for this item #1 would fund staffing for the housing navigator position (1.0 FTE; $100K), code enforcement (staffing based on the number of complaints received; minimum 0.5 FTE and $50k) plus related costs to create and administer a new renter protections program. For example, technology needs related to data management (initial development and ongoing maintenance; minimum 0.25 FTE, $25K) and funding a tenant hotline.

2. **Require landlords to itemize and photo document property condition at move-in and move-out, and to itemize and photo document withholdings from security deposit. The tenant shall receive copies.**

Establishing a rental unit’s baseline condition protects renters from unreasonable costs regarding repairs or replacements at move-out. A baseline condition reduces the burden on incoming tenants and draws on information the landlord already has or can obtain during the prior tenant’s move-out inspection. Ultimately, the landlord’s administrative role would be simply to update the rental unit’s condition when the unit changes over to a new tenant. This encourages the fair handling of both repairs and replacements rather than all-or-nothing “return deposit/keep deposit” behaviors. Photo documentation reduces disputes, benefiting both tenants and landlords. Itemization of the cost associated with specific damages serves as a tenant education function and encourages better care of rental properties.

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

**Funding.** The cost for this protection would be for code enforcement, which will depend in part on how many complaints are received. An estimated minimum 0.5 FTE ($50K) would be needed for the items in Phase I (items 2, 3, and 4). If Phase I is moved forward as shown in the roadmap, the increased door fee would provide the funding for code enforcement for this item.

3. **Require landlord, at tenant written request, to provide rental history (payment of rent and reference from landlord) for a tenant who has not yet given move-out notice.**

The time it takes someone to move from one rental unit to another is increasing due to the very low vacancy rate. Current practice requires a tenant to provide landlord with notice to vacate before a landlord will give the renter their rental history (a reference, essentially). This item ensures a tenant’s ability to obtain a current landlord reference for an application for new housing without having to first give move-out notice. This protects renters by allowing them to shop for housing in a tight market over a longer period than 30 days. The longer shopping period especially benefits low-income tenants and tenants belonging to marginalized groups, who may face higher barriers when they try to obtain suitable new housing and consequently have a harder time finding a new rental unit within the 30 day period.
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. An estimated minimum 0.5 FTE ($50K) would be needed for the items in Phase I (items 2, 3, and 4). If Phase I is moved forward as shown in the roadmap, the increased door fee would provide the funding for code enforcement for this item.

4. **Require landlords to distribute, together with any written rental agreement, an educational document describing Senate Bill 608 regarding terminations.** The City will be responsible for creating, updating, and posting the educational material. Any local renter protections will be included plus information about the rental housing code program.

Changing landlord/tenant laws can make it difficult for renters to know their rights and for landlords to know what is required of them. Regularly provided, accurate information can help all parties have a better legal relationship. This recommendation would require landlords to deliver an educational document about renters’ rights under Senate Bill 608 to renters at the beginning of a lease, so that renters and landlords better understand their options in no-cause termination situations. The City would create the information required for distribution and make the information accessible on the website. The City would be responsible for keeping the information current and will include any renter protections adopted by the City, any future changes in State landlord/tenant laws, and information about the existing rental housing code program. (Currently, a pamphlet about the rental housing code program is mailed by the City to rental addresses registered with the rental housing code program.)

Impact. To some extent, this protection has an impact in all three impact categories: 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. An estimated minimum 0.5 FTE ($50K) would be needed for the items in Phase I (2, 3, and 4). If Phase I is moved forward as shown in the roadmap, the increased door fee would provide the funding for code enforcement for this item.

**Items Proposed for Phase II**

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

<table>
<thead>
<tr>
<th>PHASE II</th>
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<tbody>
<tr>
<td>5. Limit deposits.</td>
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<td>6. Process applications in the order received.</td>
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<tr>
<td>7. Displacement assistance for legal no-cause evictions.</td>
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5. 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.

This recommendation would place a limit or ceiling on the total amount of deposits a landlord could require. Nearly all U.S. states that regulate the amount of deposits use a limit of 1-2 months’ rent. Some high-rental-cost cities also regulate deposits, including Seattle (1 month) and Portland (1.5 months). Some Eugene and Springfield tenants currently report security deposits of up to 6 months’ rent. The proposed ceiling on total deposits is consistent with national and high-cost-urban markets. This protects renters by reducing financial burden.

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

This item would help qualified applicants for a rental unit have a fair chance at being offered it. This item is intended to prevent discriminatory or preferential screening from the rental application process.

7. Displacement assistance for legal no-cause evictions.

More research and analysis are necessary to determine what level of displacement assistance is needed in Eugene. Generally speaking, displacement assistance entails payment from a landlord to a tenant when a lease is legally terminated for no cause and the decision to terminate the lease is solely landlord related (i.e. a decision to increase the rent; to remodel the unit making it unavailable; or to lease to a family member). There is more than one model of displacement assistance, and best practice is to calibrate the program to address the issues in the local rental market. During Phase II, staff will review the available examples more closely.

Some displacement assistance is already in place for Eugene renters through recent state law. In February of 2019, SB 608 (codified at ORS 90.427) became effective and did two important things for renters: 1) prohibited most no-cause evictions after the first year of occupancy and 2) limited how much landlords can increase rent each year. (See link to more information on SB 608 in Attachment C – question #2.) With SB 608, tenants who have been in their current home for a year or more typically cannot be evicted without a reason, and rent increases are limited to 7% plus the average amount of inflation over the past twelve months. (This limitation on rent only applies to buildings that are 15 years old or older.)

The City of Portland’s mandatory relocation assistance code requires assistance amounts to be paid to a tenant when the landlord chooses to terminate a lease for no cause or when a landlord increases the monthly rental amount by more than 10% and the current tenant cannot afford the rent increase. The amount of assistance is based on the rental size:

- Studio or Single Room Occupancy: $2,900
- 1-Bedroom: $3,300
- 2-Bedroom: $4,200
- 3-Bedroom or larger: $4,500

Whereas, SB 608 applies to rental units 15 years or older, the Portland example applies to all rental units regardless of age – with exemptions available by application in defined situations. No-cause eviction or rent increases require 90 days written notice to tenants before the effective date. Notices must be accompanied with a description of the tenant’s rights and obligations and the amount of relocation assistance they are eligible to receive. The notice must be hand-delivered or sent by first class mail.
The Portland example also goes further than SB 608 in that it provides relocation assistance for rent increases; no-cause evictions; notice of non-renewal of a fixed term lease; qualified landlord reason for termination; and substantial changes in lease terms.

The City of Bend has also adopted code that essentially extends the minimum amount of notice that a landlord is required to provide to a tenant when the landlord chooses to legally terminate a lease for no cause. The minimum amount of time required for a lease termination notice is 90 days before the date the lease terminates or as provided in the lease agreement, whichever is longer. The code language provides penalties payable to the tenant if a landlord violates the notice requirement.

**Phase III Recommendation**

Renter protections listed in Phase III are more complex and need additional research on the feasibility of enforcement, the extent of the impact, and the results of pending litigation 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.

<table>
<thead>
<tr>
<th>PHASE III</th>
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<tbody>
<tr>
<td>8. Ban application and screening fees.</td>
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<tr>
<td>9. Prohibit medical and education debt and limit credit score.</td>
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<tr>
<td>10. Loosen minimum monthly gross income screening standards.</td>
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<tr>
<td>11. Local prevention of, or moratorium on, no-cause evictions.</td>
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</tbody>
</table>

**8. Ban application & screening fees. (8, 9, & 10 need to be considered together)**

This recommendation would prohibit all landlords/property managers from charging applicants a rental application and screening fees. These fees (which can be $50 or more) can add up for potential renters, especially when, as in the current housing market, a potential renter may need to submit applications at multiple properties before finally securing a rental home. This burden is felt more acutely by low-income individuals and households. Accordingly, these fees can create a barrier to accessing housing.

**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. (8, 9, & 10 need to be considered together)**

This recommendation would follow the City of Portland’s Fair Access in Renting (FAIR) Ordinance on credit screening, including that an applicant may not be denied for having a credit score lower than 500, and that screening should exclude medical debt and education debt. It protects renters by lowering barriers to housing access by recognizing that credit score does not correlate with present ability to pay rent.
10. **Loosen minimum monthly gross income screening standards (8, 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 2.0 times amount of rent. This follows the spirit of the Portland FAIR Ordinance guidelines but would be simpler to implement. Protects renters by improving access to housing for lower- and moderate-income tenants. Reflects existing disparity 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. Currently, the State has a moratorium on evictions that is currently set to end in June 2022 and may be extended further. That protection is in place for renters who are 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 #7 above. With the relocation assistance in place, landlords can still decide to move forward with a no-cause eviction, but the landlords will need to pay tenants’ relocation assistance. Local prevention of, or moratorium on, no-cause evictions would carry consequences for landlords who are found to use no-cause evictions.

**Not Recommended Items**

12. **Require landlords who have units designed for mobility access to give priority for a 3-day period to applicants who have a mobility need for that particular unit.**

This item would be administratively burdensome to monitor and enforce. Community members would be better served through the proposed Housing Navigator’s work proposed in item #1 above in collaboration with other service providers already working with community members with disabilities. Having a staff person who is connected to rental property owners and housing providers and can help facilitate locating an ADA compliant unit for an individual or household in need of one. There could be more opportunities to partner with housing providers and rental property owners to ensure that our community members with mobility needs find housing that fits their needs.

13. **A universal application portal.**

A universal application portal would be time-intensive and cost prohibitive to develop, operate, and maintain into the future. Examples of similar attempts have not worked or were abandoned (e.g., OneApp). An attempt at a state-level application program has been put on hiatus and does not look like it was ever successfully functioning. Other protections offer a bigger impact for a lower cost.

14. **Reimbursement to renters for improvements or value added by them – with landlord approval – to rental property.**

In addition to being administratively burdensome for the City to enforce and monitor, the Oregon Residential Landlord and Tenant Act already contemplates that a landlord and tenant could agree to conduct repairs, routine maintenance, or cleaning services to a dwelling unit in exchange for a rent reduction.
Additional information Requested by Councilors at the November 22, 2021 Work Session

1. What percentage of Eugene households pay more than 50% of their monthly income on housing?

In Eugene, 56% of renters are housing cost burdened meaning they pay more than 30% of their monthly income on housing. Households that pay more than 50% of their monthly income on housing are severely rent burdened, and in Lane County, 33% of renters are severely rent burdened. Worse, 86% of renters in Lane County with extremely low incomes (30% or less AMI) are severely rent burdened. Based on available data, it is likely that the county level percentages are similar - if not slightly better - than Eugene. An assumption can be made that at least 33% of renter households in Eugene are severely rent burdened.

2. Are Eugene landlords drafting leases intended to avoid no cause eviction restrictions (for example, leases 11 months or shorter)? What can be done to overcome this practice?

The reference to “no cause eviction restrictions” in the question above is related to Senate Bill (SB) 608 that was passed by the Oregon Legislature in 2019. That law did two important things: 1) limits no-cause evictions and 2) limits how much landlords can increase the rent each year. SB 608 prohibits rent increases in the first year of tenancy. Rent can be increased in the second year, but the increase must be limited to 7% plus CPI.

While, it may seem like an attractive loophole to evict tenants before the first full year of tenancy and avoid the restriction on a rent increase, feedback from rental property owners indicates that rental property owners prefer to keep tenants in place for as long as possible because it is costly to incur a period of rental unit vacancy, to clean and prepare a rental unit for a new tenant, and to go through the advertising and screening process to fill a rental unit vacancy. Rental property owners' comments indicate that landlords may pay closer attention post-SB 608 to a tenant’s ability to follow the terms of the lease agreement during the first year. If rental property owners foresee any issues, they may be quicker to move to eviction than they would have before SB 608.

Unfortunately, there is no report or data available to tell with more certainty how SB 608 may have, in fact, changed rental property owners’ processes, if at all.

3. What percentage of landlords in Eugene are small (one or two properties)?

The current Rental Housing Code database, which is a billing program for administration of the program’s annual fee, provides some information that helps answer this question, but the information is limited. In some cases, rental properties are owned by entities consisting of more than one person and some individuals may be affiliated with more than one entity. The program is not able to sort for these details. Accordingly, the following answer is an estimate based on the percentage of accounts reporting

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2 Lane_County_2020.pdf (oregonhousingalliance.org)
3 Id.
ownership of one or two rental properties and the percentage of owner-parties associated with one or two rental properties.

Given the caveats above, approximately 85% of rental owners registered with the City through the Rental Housing Code program could be considered small, meaning they own one or two properties. Using recent rental unit and account totals, small landlords own approximately 12% of the rental units in Eugene.

4. Will small landlords/rental property owners sell their properties because of the new protections?

Rental property owners raise this as a potential consequence to additional regulations on landlords. Data pulled from the City of Eugene’s Rental Housing Code billing program indicates that the number of rental units registered with that program has increased year over year, which may indicate an increase in the number of rental units, an increase in compliance, or a combination of the two. Renter protection laws have been passed at the State level during this same period, indicating that regulations may not result in fewer rental units. 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.

<table>
<thead>
<tr>
<th>Fiscal Year (FY)</th>
<th>Number of Units Registered Per Rental Housing Code</th>
<th>% Change from Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>33,600</td>
<td>0.3% (based on 2017 – 33,500)</td>
</tr>
<tr>
<td>2019*</td>
<td>35,160</td>
<td>4.6%</td>
</tr>
<tr>
<td>2020</td>
<td>43,000</td>
<td>22.3%</td>
</tr>
<tr>
<td>2021</td>
<td>44,494**</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

*Senate Bill (SB) 608 passed by the Oregon Legislature limiting the amount rent may be increased from year to year and placing limitation on no-cause evictions.

**This number changes daily until the end of the FY. The number of units here is as of February 14, 2022.

There are no reports or data on what small landlords have done in Portland, for instance, since that city’s renter protections went into effect (2017 and 2020). There has been anecdotal information (singular examples) suggesting that some small landlords will sell their properties or that rents have increased because of the regulations. Small landlords might be willing to sell their properties for any reason: they no longer need the investment property, they can sell it for a profit, the maintenance costs are too high, they move out of state, etc. Additional regulations on smaller landlords may require those rental owners to be

5 The percentage of accounts associated with one or two properties totals 84% of accounts. The percentage of owners associated with one or two properties totals 87% of accounts. (These percentages are a result of adding the percentages from the tables below. The percentage provided in the answer above – 85% - is the average of these two percentages.)

Percentage of Accounts associated with the given number of properties:

<table>
<thead>
<tr>
<th></th>
<th>One Property</th>
<th>Two Properties</th>
<th>Three Properties</th>
<th>Four Properties</th>
<th>Five or more Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>64%</td>
<td>20%</td>
<td>6%</td>
<td>3%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Percentage of Owners-Parties associated with the given number of properties:

<table>
<thead>
<tr>
<th></th>
<th>One Property</th>
<th>Two Properties</th>
<th>Three Properties</th>
<th>Four Properties</th>
<th>Five or more Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>67%</td>
<td>20%</td>
<td>5%</td>
<td>3%</td>
<td>5%</td>
</tr>
</tbody>
</table>

6 44,494 rental units and 5,160 accounts (these numbers can change daily); 5,160 * 0.64 = 3,302 (one units); (5,160 * 0.20) * 2 = 2,064 (two units); (3,302 + 2,064)/44,494 = 12%
more informed, but there is no formal data from Portland that indicates whether small landlords leave the rental market because of renter protection regulations.

5. **What percentage of evictions are no-cause/for cause?**
Eugene-specific data is not available. This is a data point that could be tracked as part of new renter protections program and in collaboration with rental property owners, as proposed in item #1 in Attachment A.

Effects of evictions are costly to the whole community, as evidenced in a June 2021 report by Portland State University. One of the recommendations in this report to mitigate the cost of evictions on a community is to adopt “just cause” standards for evictions. This means that a landlord would need to show cause (non-payment, violation of lease term) before filing for an eviction. The PSU report also links to a 2019 U.S. Congressional bill proposal that contained recommendations on how to combat the economic impacts of evictions including the statement that use of eviction “should be a last resort.”

Phase II includes item #7: a recommendation to adopt displacement assistance for legal no-cause evictions. Displacement assistance would not prohibit no-cause evictions but would create a barrier to the use of no-cause evictions by requiring a landlord to pay a renter a defined amount of money in a no-cause eviction situation.

6. **Generally, more data on rental units.**
More data about the rental units in our community by type, size, cost, rate of turnover, and more is needed to reinforce policy decisions intended to mitigate the rental housing crisis. Additional data collection would be a component of the Housing Navigator position, as proposed in item #1 above.

Rental property owners have indicated that they would like to be included in the City's policy making around renter protections. One way that rental property owners could meaningfully participate would be by providing data about their rental properties. Possibly, in the future, the rental housing situation in our community will change (increased supply and/or decreased demand) thereby decreasing the extreme competitiveness of the rental market and eliminating the need for some renter protections. With rental property owners’ participation, it will be easier to assess the status of the community's rental market needs.

A recent report, *The Impact of the Pandemic on Landlords: Evidence from Two National Studies*, conducted by Harvard University's Joint Center for Housing Studies, provides evidence that public policies can influence landlord management practices to help stabilize tenants. Further, and in line with City Council’s request for more data on landlords, the findings support “the need for expanded and robust efforts to survey rental properties and to provide broader access to administrative data, both in times of crisis and over the longer term to understand conditions and trends in the market.”

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7 [June 2021 Report: Cost of Oregon Evictions (pdx.edu)]
9 [The Impact of the Pandemic on Landlords: Evidence from Two National Surveys (harvard.edu)]
10 Id at pg. 20.
Data that would more clearly assess the rental market includes:

- Lease terms;
- Number of bedrooms in a unit;
- Monthly rent;
- Rate at which rental units turn over from one renter to another;
- Rent increases reported on an annual basis;
- Percentage of rent increase;
- Type of unit (single family detached; duplex; triplex; room; accessory dwelling unit; etc.);
- Evictions and reasons for evictions;
- Landlord’s participation in rental assistance program or receipt of rental assistance; and
- Housing racial equity (to be attained through periodic tenant surveys and the annual human rights report).

7. What is happening in other jurisdictions?

Generally, the same thing is happening in other jurisdictions as evidenced in a recent resolution of the National League of Cities which states:

“...in cities, towns, and villages across the country, demand for affordable housing is far outpacing supply. According to property data provider Attom Data, home prices are rising faster than wages in 80% of U.S. markets. And according to the National Low Income Housing Coalitions annual report on housing affordability, Out of Reach, there is no county in America where a renter working 40 hours a week, and earning minimum wage, can afford a two-bedroom apartment without spending more than 30% of their income on housing.”

Examples of how other jurisdictions are putting regulations in place to protect renters include limiting rent increases (like SB 609); landlord paid relocation assistance (also known as displacement assistance); and guaranteeing renters at risk of eviction the right to legal representation.

8. Provide a copy of the City of Portland Fair Access in Renting (FAIR) Ordinance and Mandatory Relocation Ordinance.

- Ordinance adopting regulations for security deposits.
- Code implementing security deposit regulations.
- Ordinance adopting regulations for rental application screening.
- Code implementing rental application screening regulations.
- Code implementing relocation assistance ordinance.

9. Why did anti-displacement get dropped from the Renter Protections Committee’s (RPC’s) work?

The chair of the Housing Policy Board (HPB) directed the RPC to review Portland’s FAIR ordinance in January 2021. That ordinance focused on security deposits and rental application screening. The City of Portland’s relocation assistance program was a separate ordinance and was not put before the RPC for review or evaluation. Thus, anti-displacement was not dropped from the committee’s work, it was never the committee’s focus. Later in the process, RPC realized that relocation assistance would be a valuable

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11 2003 Community and Economic Development (nlc.org)
12 After a hard time for renters, cities and states pass new protections (cnbc.com)
benefit to renters. RPC's landlord subcommittee objected, and other committee members were concerned about derailing the process with a new item. RPC decided to move forward with the previously finalized list of renter protections that had been reviewed by the landlord's subcommittee.

10. **Staff to provide**: a) the list of items recommended by the renter subcommittee but not supported by HPB; and b) the list of items recommended by the landlord subcommittee.

The Renter Protections Committee memo to HPB is in Attachment C-1. It includes the report from the two subcommittees: the tenant subcommittee and the landlord subcommittee. The tenant subcommittee reviewed Portland's FAIR ordinance and looked at other problem areas not addressed by that ordinance. The result was a list of 13 recommendations. The landlord committee was then formed to respond to those recommendations. The landlord committee did not respond to the tenant subcommittee's proposals but instead made their own recommendations.

a) The renter subcommittee recommended items that HPB chose not to move forward:
   - Rapid return of screening fee if unit is gone before applicant reaches the front of the line: Return immediately on applicant's request, no more than 60 days;
   - Implement financially responsible/non-financially responsible rental application categories: Regulation would follow the FAIR Ordinance in creating separate categories for financially responsible applicants and non-financially responsible applicants; and
   - Advance advertising: Regulation would follow FAIR Ordinance to require advance advertising a unit for 72 hours before the application window opens.

b) The landlord subcommittee recommended:
   - Keeping landlord/tenant law at the State level;
   - Not following Portland’s FAIR Ordinance;
   - Having an unbiased resource for tenants to contact for education regarding their circumstances as well as guidance on their options (indicating that there could be funds and staff available through the Rental Housing Code program to do this);
   - Addressing housing availability at all levels within the City; and
   - Conducting a study on effective strategies to increase the supply of affordable and middle housing through direct development, public/private partnerships, and incentivizing private development.

11. **How does credit score indicate or not indicate ability to pay?**
Credit reports and scores are not an indicator of an individual's current ability to pay rent. Screening applicants based on their monthly income is a truer indicator of present-day ability to pay. Credit scores and reports provide historic debt or late payments, which could be on someone's credit report for a multitude of reasons [e.g. a period of medical illness; consequences of an abusive relationship; divorce; overcoming addiction; moving from a high debt period of life into an income generating period of life (student to professional)]. Unfortunately, items that negatively impact an individual credit score linger for a long period of time.

Further, research has indicated that using a credit score or report as an application screening factor is not a race neutral practice. Credit scores and reports embed existing racial inequities in our credit system and
economy to the point that a person’s credit information serves as proxy for race. As an example, during the housing bubble (2005-2007) unscrupulous underwriting practices took advantage of families of all races and ethnicities, but with many cases of targeting Black families and other non-white households, setting them up with loans they could not afford. These risky financial products led to higher delinquency and default rates which only exacerbated the wealth gap between white and non-white households. Another example, one in five Americans has unpaid medical debt with more than half of all Black and Latinx people carrying medical debt on their credit cards. Using credit score and credit report information to make rental decisions is a way to perpetuate inequality, poverty, and segregation.

Eviction records and credit reports are fundamentally flawed tools for screening tenants. They are a snapshot of someone’s past life, sometimes a very difficult past, that does not merit excluding someone from current or future housing opportunities. These tools systematically deny housing opportunities to people of color and other marginalized community members.

12. More information on the Rental Housing Code program.
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. The program is designed to encourage written communication between the tenant and owner and ideally resolve habitability issues without the need for City enforcement. If a tenant and owner are unable to resolve the issues on their own, the city works with both parties to reach compliance. The primary goal is to reach compliance without penalties.

If, after correspondence from compliance staff and requests to correct the violation, a rental owner doesn’t correct the violation(s), 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 the total number of 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.

Eugene’s rental housing code program is fully supported by the annual $10 per unit fee. The revenue covers the cost of administration, on-going outreach, and enforcement. The equivalent of 2 FTE is budgeted to the rental housing program. The program budget has not been developed with dependence on revenue from civil penalties or late fees.

Building and Permit Services provides a report to Council annually on the status of the Rental Housing Code program. The FY20 report is available on the City’s webpage for the program. (The FY21 report will be available to Council in early to mid-March.) The work of the rental housing code program is assigned across several employees whose time is charged to the program. Funds pay for personnel, mailings for

13 Credit scores in America perpetuate racial injustice. Here’s how | Sarah Ludwig | The Guardian
15 The racial wealth gap: How African-Americans have been shortchanged out of the materials to build wealth | Economic Policy Institute (epi.org)
16 http://www.brookings.edu/research/the-racial-implications-of-medical-debt-how-moving-toward-universal-health-care-and-other-reform-can-address-them/
17 https://www.urban.org/urban-wire/past-due-medical-debt-problem-especially-black-americans
18 COUNCIL COMMITTEE ADVANCES BILLS TO ELIMINATE STRUCTURAL BARRIERS IN RENTAL APPLICATION AND SCREENING PROCESS - Philadelphia City Council (phlcouncil.com)
billing and registration, outreach, and internal services (computers, motor pool, Central Services). The FY20 costs were $387,073. The FY20 revenue was $345,040.

13. **Update on what is happening at the County with Federal funds and rental assistance.**

On January 26, 2022, the Oregon Emergency Rental Assistance Program (OERAP) reopened for applications. If approved, low-income individuals and households that risk eviction and homelessness may receive up to 12 months of past due rent payment assistance and up to 3 months of future rent payment assistance. On March 7, 2022, the state announced that OERAP will close once again for new applications on March 14, 2022.

The County’s rent assistance program is closed at this time to review applications received. If more funding becomes available, then the County will reopen its program for applications. The County’s rent assistance program is funded with American Rescue Plan dollars allocated/authorized by the Department of Treasury. Lane County prioritizes applications based on income level, amount of rent owed, and period of unemployment. Applicants with the lowest income, highest rent, and longest periods of unemployment will be prioritized. Households impacted by the 2020 wildfires also receive prioritization. The rental assistance is limited to individuals and households earning 80% of AMI or less.

14. **Update on the status of evictions or landlord tenant matters from the State legislature?**

During the Oregon Legislature’s 2021 Special Session, SB 891 passed. The bill extends the eviction moratorium for tenants that have a pending emergency rental assistance application with the rental assistance provider. To qualify for this protection, no later than June 30, 2022, renters must give their landlords documentation of renters’ rental assistance application. The protection for eviction due to nonpayment of rent applies until a renter’s rental assistance application is no longer pending, but no later than September 2022.

Oregon Housing Alliance created a report that summarizes housing related bills from the Oregon Legislature’s 2022 session. A number of bills related to housing issues were considered during the session, but the only one that passed relating directly to landlord tenant matters was SB 1536, Right to Cooling. This bill provides resources for cooling including air conditioners and ductless heat pumps for people with low incomes; requires that landlords allow tenants to install either window or portable air conditioners or provide cooled spaces for tenants, with certain regulations.

Additionally, funding for 211, a valuable information resource that helps community members connect with needed services, was included in the final budget bill, HB 5202. 211 serves as a resource for tenants seeking rental assistance, among other services. With the additional funding ($1M), the service will operate 24 hours a day, seven days a week.

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20 [Rent Assistance - Lane County](https://2022 Legislative Recap: Policy Bills — Oregon Housing Alliance)
Date: July 6, 2021
To: Housing Policy Board
From: Renters Protection Committee

Mission
The Renters Protection Committee was formed by the Housing Policy Board in August, 2019 to: “identify priority tools and strategies to protect renters and prevent displacement in areas with changing housing market conditions in Eugene.” Added were priorities:
1. Consider strategies for increasing tenant and landlord awareness of rights, responsibilities and resources
2. Consider challenges and strategic related to application fees and processes (pet rent, security deposits/refunds, screening, housing navigators)
3. Consider creation of supports (for deposits, first and last months’ rent) and explore potential programs
4. Explore options to address housing quality and condition concerns raised through renter survey
5. Identify priorities for rental housing data and consider strategies for compiling and analyzing data

Membership
Members of the committee, appointed by The Housing Policy Board, are:
Julia Boss (former renter; past instructor on the history of US housing policy and suburban development; member Housing Policy Board))
Norton Cabell, chair (private market landlord, chair of the Housing Policy Board)
Jason Evans (property manager, owner go Trio Property Management)
Rick Guerra, resigned end of 2020 (member of Human Rights Commission)
Alicia Jones (family peer support at The Child Center)
Jackie Low (case manager at St. Vincent de Paul)
Tim Morris, appointed in April, 2021 (current renter and tenant advocate, Executive Director of Springfield Eugene Tenant Association)
Nigel Moseby (advocate for those experiencing homelessness)
Jim Straub (property manager, owner of Acorn Property Management, former legislative director of Oregon Rental Housing Association)
Darren Stone, appointed in February 2021 to replace Sarah Vail (Professional Property Manager, Principal Broker, Former Fair Housing Instructor, St. Vincent de Paul Second Chance Housing Instructor, Sponsors, Inc. Board Member)
Sarah Vail, resigned in December 2020 (principal of Jennings Group Inc.
John VanLandingham (attorney with Oregon Law Center)
Primary city staff support in 2019 and 2020 was Stephanie Jennings. Primary support since has been Joshua Berman.

**Summary of meetings**

The committee met seven times in 2019 and early 2020, then took a nine-month break because of the pandemic. The earliest meetings focused on education and financial support for tenants, both because these subjects were less controversial and because the committee wanted to send some recommendations to the Affordable Housing Trust Fund Advisory Committee. The latter was done, the primary recommendations being to fund resources—especially a help line—to tenants and to fund one-time financial assistance for rent and deposits through existing programs. The later meetings included discussions of the screening process, non-financial support for tenants, and a presentation by Matthew Tschabold from the Portland Housing Bureau regarding Portland’s new FAIR ordinance. No specific recommendations were proposed or made at any of these meetings.

Late in 2020, it was decided to reconvene, and the committee has been meeting monthly since January. Two subcommittees were formed. A tenant subcommittee (consisting of Julia Boss [chair], Rick Guerra, Alicia Jones, Jackie Low, Tim Morris, and Nigel Moseby) was formed to determine priorities for tenants. They reviewed Portland’s FAIR ordinance and looked at other problem areas not addressed by that ordinance. The result was a list of thirteen recommendations (see attached). A landlord subcommittee was then formed (Jason Evans, Darren Stone, Jim Straub) to respond to those recommendations. After a review of their response they were asked to take a second look, which they did, not with reacting to the tenant proposals, but with their own recommendations (see attached).

All agreed that the root of Eugene’s housing problem is a lack of housing affordable to those in lower income brackets; too many (mostly low income) tenants chasing too few (affordable to them) apartments.

But after extensive discussion it became clear to all that the two sides could agree on little else.

Attached are the reports from the two subcommittees.
PROTECTING EUGENE RENTERS IN TRANSITION
Recommendations from the RPC Tenant Priorities Subcommittee

Presented to the Renters Protections Committee March 7, 2021; updated June 3, 2021 and June 30, 2021

KEY RECOMMENDATION: Eugene has become a city where the majority of residents are renters, and where the majority of renters are now identified as “housing cost burdened.” Landlord-tenant regulation is the tool the city can best use to protect renters during a time of major changes in Eugene’s housing market as well as during renters’ individual housing transitions. The city should address through regulation landlord and property-manager practices that currently constrain renters’ ability to access housing or to move from one housing situation to another.

OVERVIEW AND PROCESS

Overview.

Members of the Tenant Priorities/FAIR Ordinance Review Subcommittee of the Renters Protections Committee met twice via Zoom, on February 19, 2021, and February 24, 2021, to discuss priorities for renters in Eugene and Lane County. Subcommittee members: Julia Boss (chair), Rick Guerra, Alicia Jones, Jackie Low, Tim Morris, Nigel Moseby. Subcommittee members further reviewed this document in May 2021 and again in June 2021 at the request of Norton Cabell, chair of the Renters Protections Committee.¹

Participants drew from professional experience in property management and nonprofit affordable housing and social services support, as well as personal experience as renters in Eugene/Springfield and in other markets. Priorities were further shaped in response to issues frequently reported to local nonprofit service providers, as well as public information made available by the Springfield-Eugene Tenant Association. Data on renter income and income/rent ratios is drawn from the Eugene-Springfield 2020 Consolidated Plan, available at https://www.eugene-or.gov/4300/2020-Consolidated-Plan-Process. Data on renters’ reported experiences also draws on the Housing Policy Board’s 2019 Renters Experiences Survey, available at https://www.eugene-or.gov/DocumentCenter/View/52932/Renters-Survey-Summary-Report_Final_201908291411478618 and, for the value of homelessness prevention and current strains on city resources to support the unhoused, the 2018 Lane County Shelter Feasibility Study (the “TAC Report”), available at https://www.eugene-or.gov/DocumentCenter/View/45881/TAC-Report_Final.

¹ Rick Guerra, who was serving on the RPC as liaison from the Human Rights Commission, resigned from the Renters Protections Committee after leaving the HRC in April.
In responding to the Renters Protections Committee’s original objective (“Protect renters and vulnerable populations, prevent displacement”) and work plan (“Identify priority tools and strategies to protect renters and prevent displacement in areas with changing housing market conditions in Eugene”), the subcommittee identified regulation as a crucial tool the City of Eugene can use to protect renters in the short term.

As directed by the Chair of the RPC, the tenant priorities subcommittee reviewed the implementing rules for Portland’s FAIR Ordinance and related documents to identify action items where regulations would have significant potential to protect renters in Eugene and Lane County. The subcommittee also discussed issues that we identified as priorities for local renters that are not addressed in the Portland FAIR Ordinance; this list includes some items that Portland has addressed via regulation separate from the FAIR Ordinance. Our review is not an exhaustive summary of all Eugene renter needs. The subcommittee has prioritized items where (1) local practices are out of step with broader national trends and especially with trends in markets like Eugene and Springfield, characterized by high demand and high rents in proportion to local incomes, and (2) regulatory changes could significantly benefit renters while not adding—and in some cases actually decreasing—administrative burden for landlords. Proposed solutions will have greatest potential to protect the low- and moderate-income renters who are at highest risk of becoming unhoused or experiencing other long-term consequences of sustained financial stress and housing insecurity.

The committee paid particular attention to the move-in/move-out stages, because this is the phase of the rental experience when renters are most vulnerable to becoming unhoused and because local landlord and property-manager practices now constrain renter households’ ability to change housing in a time of overall housing crisis. These practices externalize costs to the City in multiple ways: (1) Where screening requirements are out of sync with the reality of local rents and local incomes, renter households can’t move to right-size their housing, contributing to a suboptimal use of the City’s total rental housing stock and thus to more people in shelters or on streets. (2) Where renters who are trying to make the jump from subsidized or supportive housing to market housing are constrained by high deposit requirements or landlords using credit scores arbitrarily to deny an application where an applicant meets other screening criteria, those renters remain in subsidized or supportive-housing units that could otherwise serve to move other Eugenians in housing crisis one step further in their journey from unsheltered to permanently housed. And (3) where current property-manager reference practices artificially narrow the timeframe for a housing search to 30 days, renter households that would otherwise be at little risk of homelessness can find themselves unhoused; 30 days is simply not long enough to find new housing in Eugene. The TAC Report stresses the need for measures that prevent people from falling into homelessness. By implementing the regulatory recommendations below, the City can prevent some Eugene renters from becoming unhoused, and can free resources to dedicate to those who are currently unhoused.

Potential to protect the most vulnerable renters is greatest when the solutions are implemented in concert, and we urge that further review under City Council supervision would
include considering the possible negative consequences of selective implementation. (For example, a very tight cap on security deposits—if combined with “first-come, first-served” application processing, easing of screening criteria, and an ROI process that allows renters to obtain a reference prior to giving 30-day notice—benefits people from communities that face discrimination. A tight cap on security deposits—if combined with batch processing, strict screening criteria, and references refused until after renters have given 30-day notice—could have negative impacts on Eugene’s most vulnerable renters.)

Some of the recommendations below will reflect existing best practices among local landlords. Standardizing those best practices across the Eugene-area market would ultimately benefit both tenants and landlords. And while the subcommittee does not oppose city-funded housing navigators or third-party tenant support organizations, we stress that regulatory change is a more effective tool to benefit all renters in our community. As Eugene adjusts to being a majority-renter municipality (see 2020 Consolidated Plan), taking reasonable steps to protect renters benefits the city as a whole.

Process.

For action items drawn from the FAIR Ordinance, the subcommittee discussed the following three questions:

1. Would addressing this issue/current practice be a high/medium/low priority for Eugene/Springfield tenants?
2. Are the solutions proposed in Portland’s FAIR Ordinance something tenants would like to see implemented in Eugene/Springfield?
3. Would a different solution for the identified issue/current practice be more appropriate or practicable in Eugene/Springfield, given differences in market conditions and/or in city/county resources for oversight?

For action items not addressed in the FAIR Ordinance, the subcommittee discussed the following three questions:

1. Would addressing this issue/current practice be a high/medium/low priority for Eugene/Springfield tenants?
2. What solution(s) would be practicable in Eugene/Springfield, given local market conditions (including increasing percentage of tenants who are not students as Eugene/Springfield become renter-majority housing markets) and city/county resources for oversight?
PROPOSED REGULATORY ACTION ITEMS

Pre-application/advertising.

Advance advertising. Regulation would follow FAIR Ordinance to require advertising a unit for 72 hours before the application window opens. Protects renters as part of a fair first-come, first-served application process (discussed below).

Application and screening.

Process applications in the order received. Regulation would require landlord or property manager to process applications in the order received (first-come, first-served); no batch screening. Protects renters by ensuring fair access to housing for the first tenant who meets screening standards; advances fair housing agenda by preventing “cherry-picking”; mitigates against unnecessary processing of screening fee payments.

Loosen minimum income screening standards. The subcommittee recommends a regulation that allows landlord to require a household’s applicant(s) to show monthly gross income up to but not greater than 2.0 times amount of rent. This recommendation follows the spirit of the Portland FAIR Ordinance guidelines but would be simpler to implement. Protects renters by improving access to housing for lower- and moderate-income tenants. Reflects existing disparity 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’. A majority of all renters in Eugene (55%) and slightly under half of all renters in Springfield (48%) are considered housing cost burdened.” [emphasis added]

Implement financially responsible/non-financially responsible rental application categories. Regulation would follow the FAIR Ordinance in creating separate categories for financially responsible applicants and non-financially responsible applicants. Protects renters by lowering barriers to housing access for households where one or more members do not meet all financial screening criteria; expands future housing opportunities by allowing non-financially responsible tenants to build rental history; offers housing stability that is not available to non-financially-responsible household members when they are treated as “temporary occupants.”

Lower credit score and other credit screening requirements for applicants who meet other screening criteria. Follow FAIR Ordinance on credit screening, including that applicant may not be denied for credit score higher than 500, and that screening should exclude medical debt and educational debt. Protects renters by lowering barriers to housing access; recognizes that credit score does not correlate with present ability to pay rent.
**Prioritize applicants with mobility disabilities for defined accessible units:** Regulation would define accessible units (e.g., following FAIR Ordinance in using Oregon Structural Building Code’s “Accessible Dwelling Unit”), require units to be identified in advertising, and would allow mobility-disabled applicants to advance ahead of other applicants. *Protects renters who have mobility disabilities by allowing them to move up the priority list when an accessible unit is available.*

**Rapid return of screening fee if unit is gone before applicant reaches the front of the line:** Return immediately on applicant’s request, no more than 60 days. *Protects renters by facilitating rapid return of screening fees to applicant who doesn’t advance for a specific unit; reduces burden on applicants to track fees currently held by landlords or property management companies for 6 months or more.*

**Condition report.**

**Landlord to prepare property condition report at move-in.** Regulation would follow FAIR Ordinance PHB Landlord Move-in Checklist in requiring landlord to provide in the rental agreement a list of landlord-provided fixtures, appliances, equipment, or personal property, inducing description, condition, and replacement cost. The subcommittee encourages a guideline that would require the property condition report to include photographs and to cover age/date last replaced for appliances, carpets, and the like, potentially extending to include formal depreciation schedules. Regulation would encourage tenants to document, including via photographs, any discrepancies between actual condition and reported condition or to prepare a parallel condition report. *Requirement to prepare baseline condition report protects renters by clarifying in advance the starting point for assessments regarding repairs or replacements at move-out. Making a landlord-prepared condition report the default reduces burden on incoming tenants and draws on information landlord already has or can obtain during the prior tenant’s move-out inspection; ultimately the landlord’s administrative role would be simply to update an existing document when properties change over.*

**Security deposits and security deposit withholdings.**

**Establish ceiling for security deposit: no greater than one month’s rent.** Regulation would place a limit or ceiling on the amount of security deposits; the subcommittee recommends one month’s rent as the limit. Nearly all U.S. states that regulate the amount of security deposits use a limit of 1-2 months’ rent. Some high-rental-cost cities also regulate security deposits, including Seattle (1 month) and Portland (1.5 months). Some Eugene and Springfield tenants currently report security deposits of up to 6 months’ rent. *Ceiling on security deposit consistent with national and high-cost-urban markets protects renters by reducing financial burden.*

**Itemize and document withholdings from security deposit.** Regulation would broadly mirror FAIR Ordinance in requiring landlord to document, including with photographs, any
withholdings for replacement (with charge to tenant linked to depreciated value of replaced item) or repairs necessary to return property to condition at move-in, documenting cost of labor if over $200 and fixing labor costs at local market or reasonable standard. Transparent reporting protects renters by encouraging fair handling of repairs and/or replacements rather than all-or-nothing “return deposit/keep deposit” behaviors; documentation requirement (especially photos paired with the photos required at move-in) reduces disputes, benefiting both tenants and landlords; itemization of cost associated with specific damages serves tenant-education function and encourages better care of rental properties.

**Lease renewals and landlord references.**

Require landlords/property managers to distribute, together with lease, a tenant-education document on tenant rights under Oregon’s SB 608. The subcommittee recognized that lease renewal processes are in flux as landlords and tenants learn their rights and obligations under SB 608. A regulation would require landlords to deliver an explainer document (similar to the existing “Rental Housing Code Covers the Basics” document) providing information on tenants’ rights under SB 608, especially covering tenants’ rights as they near the end of an initial 12-month lease, and identifying resources for tenants who have questions or concerns. Protects renters by helping them to understand their rights and options under initial lease and later, when an initial or subsequent 12-month lease term ends.

Create a structure requiring landlord, at tenant request, to provide a reference for a tenant who has not yet given notice. Regulation might (1) create a mechanism for a tenant to request a general “renter report” describing rental history and would (2) require creation of an ROI form or template a tenant could use to give their current landlord specific permission to deliver a reference to an identified new potential landlord, even though the tenant has not given 30-days’ notice. ROI requirement protects renters’ privacy and protects landlords by documenting tenant’s specific permission to provide information; ability to obtain a current landlord reference in an application for new housing—without having first to give notice—protects renters by allowing them to shop for housing in a tight market over a longer period than 30 days; allowing the longer shopping period especially benefits lower-income tenants and tenants belonging to marginalized groups, who may face higher barriers when they try to obtain new housing.
May 11, 2021

The Housing Provider/Fair Ordinance Review Subcommittee (Subcommittee) reconvened at the request of the Renters Protection Committee (RPC) chair Norton Cabell to reconsider the recommendations of the Tenant Priorities/FAIR Ordinance Review Subcommittee dated March 7, 2021. The Subcommittee met on 4/19, 4/26, 5/3, and 5/10 via Zoom. The Subcommittee members included: Darren Stone, Jason Evans, Jim Straub, and Michael Havlik (as contributor).

“The role of the Renters Protections Committee is to identify priority tools and strategies to protect renters and prevent displacement in areas with changing housing market conditions in Eugene.”

Priority Tools - After reviewing the RPC charge as well as reviewing the data, noted below, the Subcommittee recommends the establishment of a city resource (Housing Navigator) who would be unbiased for all parties involved, similar to Corvallis. The Subcommittee withdraws it’s recommendation of using any specific subcontractor, as they have shown in many cases to have built-in conflicts of interest.

Strategies - Additionally we cannot recommend an adoption of any FAIR ordinances in Eugene. It would not be responsible for this Subcommittee to recommend local law changes that would risk damage to applicants or residents and potentially result in legal liability for the City of Eugene, based on what is currently occuring in other jurisdictions.

Fair Ordinances change housing market conditions for the worse. We continue to hear of an inordinate number of housing providers of single family and multiplex properties that are moving their properties into the short term rental pool or selling due to the increase in legal restrictions that are not equitable and the recent drastic increase in housing values. Additionally, it is being noted that due to the increased value of multiplexes, with higher frequency than before, buyers are moving into and occupying property that had previously been part of the available rental supply.

Private, informal housing arrangements are an important component of the continuum of housing in Oregon. Given the supply shortage of rental housing, rather than discouraging market participation, we should be setting policy that encourages new housing providers to enter the market. Because these types of ordinances are so new to our markets, the negative impact on supply is largely anecdotal.

We believe the RPC should thoroughly investigate the impacts of FAIR-like ordinances on supply, should they proceed with the ordinances contrary to our recommendations.

The Subcommittee re-evaluated our common objectives by:

1. Reviewing the initial charge of the Renters Protection Committee

3. Reviewing The Tenant Priorities/FAIR Ordinance Review Subcommittee’s recommendations

4. Considering the effectiveness of proposed items

5. Considering the effects on renters and housing providers

6. Considering an impartial Tenant resources for Tenant advocacy (The City of Eugene)

The Subcommittee started this reevaluation with the initial charge as indicated in the September 11, 2019 Housing Policy Board, Renter Protections Committee Agenda and noted on the City of Eugene website, “The role of the Renters Protections Committee is to identify priority tools and strategies to protect renters and prevent displacement in areas with changing housing market conditions in Eugene.” Keeping that in mind the committee reviewed The HPB “Renters Experience Survey” (Survey) summary that was listed as a Resource and noted and linked to above.

https://www.eugene-or.gov/DocumentCenter/View/47532/1-September-11-2019
https://www.eugene-or.gov/4264/Renters-Protections-Committee

Survey Analysis

The Housing Policy Board’s Renter Protections Task Team developed and designed a survey, which was administered city-wide online in 2019.

The survey contains data from Listening Sessions combined with data from the completion of a 17-question survey. Raw data from the survey was requested during this review, unfortunately it was not made available.

Survey Data

Survey Responses 851 total
Listening Session participants 112 (it is unclear if these are included in the 851)

Employment of Respondents
Employed full time 60% - 511
Employed part-time 20% - 170
Unemployed 18% - 153 (this is high in relation to the city. Eugene 5.0%
National 4.7% as noted in a Google search on May 3, 2021)

Student Status
Full-Time Students 13% - 111
Part-time students 3% - 26

Affordability / Feelings about their rental arrangements
Unsatisfied with Rental Home 56% - 477
Rent too high
51% - 434

Experienced a rent increase
51% - 434

Rent increase too much
15% - 128

Rent Burden
According to the report, the median renter household in Eugene has an income of $26,000, with 58% paying more than 30% of their income for rent. Note that the Actual 2021 Area Median Income (AMI) for Lane County, Oregon is $71,200.

Availability
71% described finding rental homes as competitive and stressful.

Access / Discrimination
About 1/3 of survey respondents indicated they felt they had experienced discrimination.

Quality
Unsatisfied with housing
77% - 661

Habitability issues
38% - 251 (Of the 661 per the summary)

Stability
Inability to pay Rent Increase
15% - 128

No cause terminations
11.7% - 100

Rental home sold
3.9% - 33

Rental home foreclosed
1.8% - 15

Foreclosed + Sold
5.6% - 48 (compilation of the two above)

(Calculated numbers are in bold.)

Survey Evaluation

Rent Affordability
It seems unlikely that the sample population that responded to the study is representative of the City of Eugene, based on data for Lane County. Area Median Income for Lane County, as reported by Oregon Department of Housing and Community Services's OHCS, is $71,200. Respondents in the study reported average income of $26,000, which equates to the following Median Family Income (MFI) percentages for varying family sizes:

<table>
<thead>
<tr>
<th>Household Size</th>
<th>%MFI Approximation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>50%</td>
</tr>
<tr>
<td>2</td>
<td>45%</td>
</tr>
<tr>
<td>3</td>
<td>40%</td>
</tr>
<tr>
<td>4</td>
<td>35%</td>
</tr>
</tbody>
</table>

Using the OHCS's Affordability chart, in order for rents to be affordable to households for the AMI in the range of 35-50%, rents would have to be set in the following ranges, based on unit type:
Affordable Rents in the study Range

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>35% AMI</th>
<th>50% AMI</th>
<th>Market Rent*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>$436</td>
<td>$476</td>
<td>$810</td>
</tr>
<tr>
<td>1 Bed</td>
<td>$467</td>
<td>$623</td>
<td>$1,037</td>
</tr>
<tr>
<td>2 Bed</td>
<td>$560</td>
<td>$668</td>
<td>$1,102</td>
</tr>
<tr>
<td>3 Bed</td>
<td>$647</td>
<td>$801</td>
<td>$1,487</td>
</tr>
</tbody>
</table>

*Market Rents taken from MFNW Spring 2021 Apartment Report

Affordability at this level is unlikely to be provided by the private market. In fact, affordability at a 50% AMI and below is very difficult to accomplish even in Affordable Tax Credit buildings without direct rent subsidies attached to the units.

Further, it is unsurprising from the study that 51% of respondents found rent to be too high when only 60% of the respondents were working full time. What is surprising is that only 51% of respondents experienced a rent increase, as this is common practice in recent years for Housing Providers to increase rents in order to stay current with inflationary pressures, maintain the premises properly with increasing labor and materials costs, and avoid falling behind on rent rates while losing property value due to the new rent control. Perhaps the lack of rent increases correlates with the deferred maintenance reported.

Availability
71% experienced finding housing competitive and stressful, and this is likely a very widespread experience in a tight rental market. This is clearly a supply issue in the region. With 5.6% of respondents reporting that their housing was lost to Sale (Housing providers getting out of the business) or Foreclosure (financial infeasibility, perhaps from not raising the rent) supply should be a serious concern.

Stability
It would be unusual in any renter population that 11.7% would experience No-Cause notices, as this is extraordinarily high. It would be helpful for the Housing Policy Board to investigate the number of Court Evictions in Lane County on an annual basis that involve no-cause notices. In 2019, pre-pandemic, Lane County was averaging 139 FED Filings a month, which would include notices of all types. This would not reconcile with an 11.7% no cause rate for the entire renter population, and suggests that the sample is not representative.

Access / Discrimination
Illegal Housing Discrimination is a serious matter, and the fact that 1/3 of respondents believed they had experienced discrimination should not be taken lightly. There are mechanisms for addressing illegal discrimination in place now, and those respondents should report the cases. BOLI and the Fair Housing Council of Oregon are appropriate contacts.

Although this represents an interesting data point, investigating Fair Housing Complaints, or adopting rules pertaining to fair housing discrimination is not the purview of the Housing Policy Board.
Lack of reporting of Fair Housing violations or habitability issues due to concerns as noted in the survey do not justify implementation of more legislation. Other sectors of society have proven that education is more effective than punitive laws for changing behavior.

**Quality**
Again, it would be unusual for 77% of any representative renter population to respond that they are unsatisfied by their housing. This suggests that there is a bias built into the surveyed population, and calls into question the validity of the results.

**Survey Conclusion**
The argument that adopting any portion of Portland’s FAIR Ordinances as a remedy to the City of Eugene’s housing needs is entirely unpersuasive.

**Affordability**
FAIR Ordinances do nothing to improve affordability. Based on the experience in Portland, these types of regulations actually drive-up housing costs due to the heavy compliance burdens.

**Availability**
FAIR Ordinances do not incentivize development, and therefore impede the production of new supply. The City of Eugene should be very concerned that 5.6% of respondents reported their housing sold or foreclosed. This indicates that housing providers are leaving the market already, and those remaining will not respond favorably to additional regulatory burden.

**Quality**
None of the FAIR Ordinances have the impact of improving the physical quality of rental housing.

**Tenant Priorities/FAIR Ordinance Review Subcommittee’s recommendations review**
Based on the survey, the City of Eugene should study, or commission a study, on effective strategies to increase the supply of affordable and middle housing through direct development, public/private partnerships, and incentivizing private development.

To directly address Mr. Cabell’s request that the Subcommittee review the Tenant Priorities Subcommittee’s recommendations again, further review has only led to our increased certainty that the proposed action items from the Tenants’ Priorities subcommittee are unresponsive to the root cause(s) of Eugene’s housing crisis and renter instability and do not protect renters in a meaningful way. To the degree that their propositions undermine the growth of the much needed rental inventory, the Tenants’ Priorities Subcommittee’s recommendation only exacerbates the root cause(s) of the problems that Eugene renters face.

**National Perspective**
The Hoyte Advisory Services and The National Apartment Association published a 2020 Barriers to apartment construction that underscored the problematic impacts of FAIR in Portland:
“In addition to the state legislation, Portland faces a number of other regulations including security deposit rules and allowance of households to choose adult tenants with no financial responsibility. The new rules are so complicated and punishing that some landlords are not bothering with security deposits at all, instead hoping to have a better chance of recouping damages through legal action. The Fair Access in Renting (FAIR) Ordinance passed in 2019 creating a first come – first served system for rental applications, caps the income-to-rent ratio that can be required for tenants and encourages landlords to use minimally restrictive credit, rental history and criminal records to deny rental applications. Leasing may require complicated Individual Assessments with appeal periods. Material ambiguities in the law and severe monetary penalties for landlords have dramatically enhanced liability for landlords, forcing them to re-write management contracts and making the market difficult for small landlords.

The 2019 legislative changes were significant, notably creating a significantly higher tenant & affordable housing score as well as a higher political complexity score (significant state influence), and eased somewhat the density scores. Survey respondents also noted higher community resistance to new supply this year. The tenant score in fact became one of the most restrictive in the country, driving the overall Portland ranking from 11 to 32 of 58 markets.”

Summary

As noted above the role of the Renters Protections Committee is to identify priority tools and strategies to protect renters and prevent displacement in areas with changing housing market conditions in Eugene. The Subcommittee is frustrated that the RPC continues to look toward Portland’s FAIR ordinance as a viable solution for Eugene when the ordinance is currently under litigation in Portland and a more benign version of FAIR ruled unconstitutional in Federal Court. Additionally, if the Housing Policy Board 2019 Renters Experience Survey Summary is to be considered a non-biased survey and representative of all sectors of the Eugene rental market, then FAIR still does not solve the issue the data represents as factual. In brief, for multiple reasons, Landlord Tenant Law should stay at the State level.

As it was mentioned that City Councilors are wanting a recommendation from the RCP, this Subcommittee believes that recommending having an unbiased resource for tenants to contact for education regarding their circumstances as well as guidance on their options will help directly. Our understanding is that the City already has a surplus of funds from the per unit Housing Provider fee. This is revenue from the Rental Housing Code Ordinance created by the Housing Policy Board. Additionally, there is already staffing that is partially trained in housing issues and helps “by providing resources for property owner/managers and renters.” There are many benefits to this that should be explored further. The Subcommittee also strongly recommends addressing housing availability on all levels within the city. Not having enough housing creates unnecessary homelessness, stress, and issues. As part of the RPC’s charge to protect and prevent displacement, these recommendations appear just. If the Renter’s Protection Committee is serious about supporting renters in Eugene, it MUST summon the
courage to tell the City Council the truth about this crisis and ask that the City take up meaningful strategies to increase inventory and address the problem at its source.

https://www.eugene-or.gov/845/Rental-Housing-Code

Attachments:
St Paul Preliminary Injunction Order 4.19.21
Oregon Housing and Community Services Area Median Income Lane County
Multifamily NW Spring Apartment Report
Impediments to Development NAA
Renter Resources Contextual Information

**FY21 Affordable Housing Trust Fund (AHTF) Implementation** - In addition to the RFP process and resulting award of $300,000 in development resources to the Grove on Garden Way project, Council directed $500,000 of FY21 AHTF allocation to support direct services to renters and homeowners.

- $150,000 of direct mortgage assistance for foreclosure prevention administered by DevNW. Due to the State’s foreclosure moratorium, the funds were slow to be utilized and the contract was extended through FY22. With the end of the moratorium at the close of 2021, demand for services has increased and DevNW has expanded the capacity of their foreclosure prevention team to meet the demand and evaluate client’s needs for use of mortgage assistance funding.

- $350,000 of direct rent assistance through Lane County and its partner agencies. By October 2021, approximately $339,000 in AHTF rent assistance had been disbursed. As a result of the pandemic, Lane County has disbursed a significant amount of rent assistance from other sources ($12.4 million has been disbursed through mid-June) and will receive significantly more rent assistance to be disbursed through FY25 ($34 million).

**FY22 AHTF Allocation**

City Council also considered the uses of AHTF in FY22 at the July 12, 2021 work session. The generated Construction Excise Tax (CET) plus the general funds allocated by Council through the Supplemental Budget in December 2020 resulted in over $1.6 million available for implementation in FY22. Funds can be used for programs, incentives, and services creating housing opportunities for households earning 100% of area median income and below. The AHTF Advisory Committee considered the rental assistance resources in Lane County through Federal and State programs ($34 million) and the demand for housing development resources in their recommendation that a minimum of 75% of the available funds in FY22 go to housing development to be awarded through the RFP process. The Advisory Committee recommended the remaining funds for direct assistance to homebuyers be focused on Black, Indigenous, and People of Color individuals and households.

Per Council direction and based on the final amount collected through the end of FY21, over $1.1 million will be available in housing development resources through the Spring 2022 RFP and $370,000 for direct assistance to renters and homeowners.

In July 2021, staff postponed awarding the direct services portion of the FY22 Affordable Housing Trust Fund (AHTF) allocation until Council had reviewed the Housing Policy Board’s renter protections recommendations to determine if any funding would be needed to support implementation. If Council decides to move forward with the proposed Phase 1 protections, a portion of the AHTF funds may be needed to support the start of this work. As such, a portion of the AHTF funding will be retained for that potential purpose and the remaining FY22 AHTF direct services funding will be used for direct services, specifically for homebuyer assistance affirmatively marketed to Black, Indigenous and people of color individuals and households.
Renters Resources
According to Oregon Law Center: The statewide moratorium on evictions for nonpayment and evictions without cause ended on June 30, 2021. Starting July 1, rent is due every month, and tenants can face eviction for nonpayment if rent is not paid on time. Starting July 1, no-cause evictions that were allowed prior to the COVID pandemic are once again allowed.

But two new laws, Senate Bill 282 and Senate Bill 278, provide important protections to help tenants recover from the pandemic period.

- Senate Bill 282 says that tenants have more time to pay back-due rent, fees or other charges that came due during the moratorium period. From July 1, 2021 through February 28, 2022, landlords cannot evict tenants for rent arrears from April 1, 2020 to June 30, 2021. This new law contains additional tenant protections such as relaxed limitations on guest occupancy, protection from negative credit and eviction history during the pandemic, and increased protection from retaliation.
- Senate Bill 278 says that if a tenant shows their landlord documentation that they have applied for rent assistance, the landlord is not allowed to evict that tenant for nonpayment for 60 days, to allow for processing of the rent assistance application.

Importantly, Oregon now has hundreds of millions of dollars in federal rent assistance available to help low-income tenants pay off back-due rent, utilities, and other housing expenses. In addition, rent assistance for up to three months of forward rent is available.

Low-income Oregonians can apply for rental and utility assistance through the Oregon Emergency Rental Assistance Program (OERAP). On January 26, 2022, OERAP opened for applications. If approved, low-income individuals and households that risk eviction and homelessness may receive up to 12 months of past due rent payment assistance and up to 3 months of future rent payment assistance.

The County’s rent assistance program is closed at this time to review applications received. If more funding becomes available, then the County will reopen its program for applications.

Community Development Block Grant – Coronavirus Funds (CDBG-CV)
The Federal CARES Act included a special allocation of CDBG funding to help local communities respond to the impacts of coronavirus (CDBG-CV). (The CV funding is a separate grant from the entitlement CDBG grant received on an annual basis from HUD.) In order to utilize the CV funds, the City completed allocation processes that identified uses of funds and included the CDBG Advisory Committee, a public hearing, and Council action. The City received a CV1 entitlement allocation in the amount of $839,940, for which the proposed uses were approved by Council in July 2020. The uses included support to human services such as, access to rent assistance, legal services to prevent homelessness and homeless services. In addition, CV1 funds were used for microenterprise training and fair housing services, including supporting the Springfield-Eugene Tenant Association (SETA) local hotline. Visit the SETA website for more information. The City received a CV3 entitlement allocation of $1,016,237. Council approved the proposed CV3 allocation on April 2021, which was subsequently approved by HUD in June 2021. Program
implementation for all CV funds is underway. The CV3 allocation included homeless services, supporting emergency shelter and day access center, providing homeless outreach services and housing navigation services In addition, CV3 funds are being used for a senior meal and grocery delivery program, business support and fair housing services, including SETA for a second year.

**HOME Investment Partnership Program – American Rescue Plan (HARP)**

The American Rescue Plan Act of 2021 included funds for creating housing opportunities to be distributed through jurisdictions that receive HOME funds. The Eugene-Springfield HOME Consortium will receive $4,728,637 in HARP funds. The funds can be used to create housing opportunities specifically for individuals or families (with attention to veterans) experiencing homelessness, at risk of homelessness, fleeing or attempting to flee domestic violence, and those at greatest risk of housing instability. Funds can be used for creation of affordable housing (as with regular HOME funds) and can also be used for creation of non-congregate shelter units, and supportive services including homeless prevention services and housing counseling. The funds would be available for expenditure through September 2030. Eugene and Springfield will undertake a required process to develop and submit an Allocation Plan for the funds before HUD will provide access to the resources.