

Housing Policy Board Renter Protection Recommendations 2021

Application Stage:

A-1. Ban application & screening fees.

A-2. Process applications in the order received (first-come, first-served).

A-3. Prohibit landlords from: a) including medical or education debt when evaluating an applicant's income vs expense or b) using a mandatory credit score of above 500.

A-4. Loosen minimum monthly gross income screening standards.

A-5. 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.

Move In/Move Out Stage:

M-1. Require landlords to distribute, together with any written rental agreement, an educational document describing Senate Bill 608 with regard to terminations.

M-2. Limit landlords to charging deposit (combination of security, cleaning, & last month deposits) with a max of 2 times the monthly rent, not including pet deposit.

M-3. Require landlords to itemize and photo document property condition at move-in that contains photos and age or condition of major items that are known to landlord. At move-out, require landlords to itemize and photo document withholdings from security deposit.

M-4. Require landlord, at tenant written request, to provide rental history (payment of rent) for a tenant who has not yet given notice. One free rental history per tenant per year.

Recommendation for Funding/Support Services:

Increase the Rental Housing Code door tax to fund a rental housing navigator position, a tenant hotline, and other tenant support services.

**Additional Information on
Housing Policy Board's
Renter Protection Recommendations**

Protection during the APPLICATION stage:

A-1. Prohibit landlords from charging applicants rental application & screening fees.

This recommendation is intended to prohibit all landlords/property managers from charging applicants rental application and screening fees. These fees (which can be \$50 or more) can add up for potential renters. In the current rental housing market, a potential renter may need to submit applications at multiple properties to increase their chances of accessing 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.

A-2. Require landlords to process rental applications in the order received.

This recommendation is intended to require landlords/property managers to process applications in the order received (first-come, first-served) and to prohibit batch screening. It protects renters by ensuring fair access to housing for the first tenant who meets screening standards; advances fair housing agenda by preventing "cherry-picking"; and mitigates against unnecessary processing of screening fee payments.

A-3. Prohibit landlords from including medical or education debt when evaluating an applicant's income vs. expenses. Prohibit landlords from requiring credit score above 500.

This recommendation is intended to 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.

A-4. Prohibit landlords from denying a rental application based on a monthly gross income requirement that exceeds two times the actual monthly rent amount.

This recommendation is intended to allow 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."

- A-5. Require landlords to give priority to rental applications submitted by applicants with mobility disabilities for at least three days from posting a unit's availability when the unit meets the mobility needs of the applicant.

This recommendation is intended to define accessible units (e.g., following the Portland FAIR Ordinance in using Oregon Structural Building Code's "Accessible Dwelling Unit"), require units to be identified in advertising, and give priority to mobility-disabled applicants who apply during the three-day period. This supports the ability of renters with mobility disabilities to access housing that meets their needs.

Protection during the MOVE IN/OUT stages:

- M-1. Require landlords to distribute, together with any written rental agreement, an education document describing Senate Bill 608 and its renter protections during lease terminations.

Lease renewal processes are in flux as landlords and tenants learn their rights and obligations under SB 608. This recommendation is intended to require landlords to deliver an educational document (similar to the existing "Rental Housing Code Covers the Basics" document) providing information on tenants' rights under SB 608. In particular, this informational document would cover tenants' rights as they near the end of an initial 12-month lease and would identify resources for tenants who have questions or concerns. It 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.

- M-2. 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 is intended to 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.

- M-3. Landlord to itemize and photo document property condition at move-in that contains photos and age or condition of major items that are known to landlord. Landlords to itemize and photo document withholdings from security deposit.

This recommendation is intended to follow the Portland FAIR Ordinance in a modified, less complicated way. Establishing a rental units' 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 repairs and/or 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.

M-4. Upon written request made by a current tenant, a landlord is required to provide rental history on the tenant's history of rent payments, on a form provided by the City. Tenants are entitled to one at no cost once per year.

A tenant could use the form as a reference in application to a new landlord/property manager, even though the tenant has not given 30-days' notice. This protects renters' privacy about moving plans and protects landlords by documenting tenant's specific permission to provide information. This 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 new housing.

Recommendation for Funding/Support Services:

Increase the Rental Housing Code door tax to fund a rental housing navigator position, a tenant hotline, and other tenant support services.

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 and Oregon Law Center.

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 funding will be fully disbursed by DevNW by the end of the calendar year (2021).
- \$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. This fall Council will discuss the use of the direct assistance funds in conjunction with the Council work session related to renter protections.

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.

Lane County Human Services has rent assistance applications for low-income Lane County renters. [Learn more and apply online](#). Low-income Oregonians can apply for rental and utility assistance through the [Oregon Emergency Rental Assistance Program \(OERAP\)](#).

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 City previously received a CV1 entitlement allocation in the amount of \$839,940, for which the proposed uses were approved by Council in July 2020. The City received a CV3 entitlement allocation of \$1,016,237. (The CV3 funding is a separate grant from the entitlement CDBG grants received on an annual basis from HUD.) In order to utilize the CV3 funds, the City completed an allocation process that identified uses of funds and included the CDBG Advisory Committee, a Council public hearing, and Council action. Staff submitted a Substantial Amendment to the 2020 Action Plan adopted by Council April 26, 2021, which was approved by HUD in June 2021. Program implementation is now underway. The CV3 allocation includes expanding homeless services, including supporting emergency shelter and day access center, providing homeless outreach services and navigation, and housing navigation services to the unhoused. In addition, funding will expand access to food by supporting a mobile food pantry and senior meal and grocery delivery, provide business lending, and fair housing services, including supporting the Springfield-Eugene Tenant Association (SETA) local hotline. Visit the [SETA website](#) for more information.

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)