

Spring 2017 Update for the 17th Edition of the City of Portland's **LANDLORD TRAINING PROGRAM**

KEEPING RENTAL PROPERTY SAFE AND FREE OF ILLEGAL ACTIVITY

Some changes in law have happened since edition 17.1 of the Portland Landlord Training Program manual was first published in the Spring of 2016. The most relevant to the training content is a revision in Portland City Code 30.01.085 *Portland Renter Additional Protections* that took effect on February 2, 2017. A copy of the full text appears below this summary. The primary change has to do with a new requirement, applicable in most rental situations, to pay something called Relocation Assistance in various situations. Key elements:

- ▶ **Payment of Relocation Assistance for no-cause or nonrenewal terminations.** In most Portland rental situations, landlords are required to pay Relocation Assistance to a tenant who is served a “no-cause” termination notice or is not offered a lease renewal on substantially similar terms (a functionally-similar act to serving a no-cause notice). The amount of Relocation Assistance (which must be paid not less than 45 days prior to termination) is defined on a sliding scale from \$2,500 for a studio or single room occupancy (SRO) unit up to \$4,500 for a dwelling that has three bedrooms or more.
- ▶ **Potential Relocation Assistance payment for rent increases of 10% or more in a 12-month period.** In addition to the requirements already in the Code (that no-cause termination notices in most rental situations in Portland must be at least 90 days in length and that rent increases of 5% or more in a 12-month period require a notice of at least 90 days), the Code now requires payment of Relocation Assistance if a tenant is served a rent-increase notice of 10% or more in a 12-month period and elects to terminate the tenancy rather than pay the higher rent.
- ▶ **The parts of the code that require payment of Relocation Assistance are limited to the duration of Portland’s Housing Emergency.** The Relocation Assistance requirements are in effect for the duration of the Housing Emergency first declared by City Council in October of 2015, which currently extends until October 6, 2017.
- ▶ **Some rental situations are exempt from the above requirements.** The requirements described in PCC 30.01.085 do not apply to a landlord who rents out only one dwelling unit in the City, to tenants who occupy the same dwelling unit as the landlord (renting a room inside the landlord’s home, typically), to a landlord who temporarily rents out the landlord’s own residence during the landlord’s absence of not more than 3 years, or to rental agreements for week-to-week tenancies. (This is an expanded list of exceptions from the previous version of the code described on page 73 of the manual.) Otherwise, it applies.

The full text of the code is as follows (footnotes added — not part of the code):

30.01.085 Portland Renter Additional Protections.

(Added by Ordinance No. 187380; amended by Ordinance No. 188219, effective February 2, 2017.)

A. In addition to the protections set forth in the Residential Landlord and Tenant Act, the following additional protections apply to Tenants that have a Rental Agreement for a Dwelling Unit covered by the Act. For purposes of this chapter, capitalized terms have the meaning set forth in the Residential Landlord and Tenant Act.¹

B. A Landlord may terminate a Rental Agreement without a cause specified in the Act only by delivering a written notice of termination (the “Termination Notice”) to the Tenant of (a) not less than 90 days before the

¹ *The Act is Chapter 90 of the Oregon Revised Statutes. ORS 90.100 is where the definitions are found.*

termination date designated in that notice as calculated under the Act; or (b) the time period designated in the Rental Agreement, whichever is longer. Not less than 45 days prior to the termination date provided in the Termination Notice, a Landlord shall pay to the Tenant, as relocation assistance, a payment ("Relocation Assistance") in the amount that follows: \$2,900 for a studio or single room occupancy ("SRO") Dwelling Unit, \$3,300 for a one-bedroom Dwelling Unit, \$4,200 for a two-bedroom Dwelling Unit and \$4,500 for a three-bedroom or larger Dwelling Unit. The requirements of this Subsection do not apply to Rental Agreements for week-to-week tenancies, or to Landlord who rents out or leases out only one Dwelling Unit in the City of Portland, or to a Landlord who temporarily rents out the Landlord's principal residence during the Landlord's absence of not more than 3 years, or to Tenants that occupy the same Dwelling Unit as the Landlord. For purposes of the exception provided in this Subsection, "Dwelling Unit" is defined by PCC 33.910, and not by ORS 90.100. For purposes of this Subsection, a Landlord that declines to renew or replace an expiring fixed-term lease on substantially the same terms except for the amount of Rent or Associated Housing Costs terminates the Rental Agreement and is subject to the provisions of this Subsection.¹

C. A Landlord may not increase a Tenant's Rent or Associated Housing Costs by 5 percent or more over a 12 month period unless the Landlord gives notice in writing (the "Increase Notice") to each affected Tenant: (a) at least 90 days prior to the effective date of the rent increase; or (b) the time period designated in the Rental Agreement, whichever is longer. Such notice must specify the amount of the increase, the amount of the new Rent or Associated Housing Costs and the date, as calculated under the Act, when the increase becomes effective. If, within 14 days after a Tenant receives an Increase Notice indicating a Rent increase of 10 percent or more within a 12 month period and a Tenant provides written notice to the Landlord of the Tenant's intent to terminate the Rental Agreement (the "Tenant's Notice"), then, within 14 days of receiving the Tenant's Notice, the Landlord shall pay to the Tenant Relocation Assistance in the amount that follows: \$2,900 for a studio or SRO Dwelling Unit, \$3,300 for a one-bedroom Dwelling Unit, \$4,200 for a two-bedroom Dwelling Unit and \$4,500 for a three-bedroom or larger dwelling unit. For purposes of this Subsection, a Landlord that conditions the renewal or replacement of an expiring lease on the Tenant's agreement to pay an increase in the Rent or Associated Housing Costs increases the Tenant's Rent, and is subject to the provisions of this Subsection. The requirements of this Subsection do not apply to Rental Agreements for week-to-week tenancies, or to a Landlord who rents out only one Dwelling Unit in the City of Portland, or to a Landlord who temporarily rents out the Landlord's principal residence during the Landlord's absence of not more than 3 years, or to Tenants that occupy the same Dwelling Unit, as defined in Subsection B. of this Section, as the Landlord.

D. A Landlord that fails to comply with any of the requirements set forth in this Section 30.01.085 shall be liable to the Tenant for an amount up to 3 months Rent as well as actual damages, Relocation Assistance, reasonable attorney fees and costs (collectively, "Damages"). Any Tenant claiming to be aggrieved by a Landlord's noncompliance with the foregoing has a cause of action in any court of competent jurisdiction for Damages and such other remedies as may be appropriate.

E. The provisions of this Section 30.01.085 concerning Relocation Assistance shall be in effect for the duration of the Housing Emergency declared by Council on October 7, 2015 by Ordinance 187371 and extended for a period of 1 year to October 6, 2017 by Ordinance 187973, and shall apply to all notices of termination and to all notices of increases of a Tenant's Rent or Associated Housing Costs pending as of the effective date of those provisions, subject to the following provisions:

1. If, as of the effective date of the Relocation Assistance provisions of this Section, a Landlord has given notice of termination, but the termination has not yet occurred, the Landlord, within 30 days of the effective date of these provisions, either shall notify the Tenant in writing that the Landlord has rescinded the notice of termination, or shall pay the Relocation Assistance provided for in Subsection B. of this Section.

2. If, as of the effective date of the Relocation Assistance provisions of this Section, a Landlord has given notice of an increase of a Tenant's Rent or Associated Housing Costs that triggers the obligation to pay Relocation Assistance under Subsection C. of this Section, the Tenant shall have the right, within 14 days of the effective date, to notify the Landlord that the Tenant is terminating the Rental Agreement, and the Landlord shall have 14 days thereafter within which to give written notice to the Tenant either that the Landlord has rescinded the increase or has reduced it below the level that triggers the obligation to pay Relocation Assistance, or, in the alternative, to pay the Relocation Assistance.

¹ Example: a "non-renewal" notice is functionally the same thing as a no-cause notice and is therefore covered by the subsection.