

The Oregonian

Apartment owner sues Portland over new rules on rent hikes, evictions

*By Andrew Theen
November 17, 2015*

An apartment building owner is suing the city of Portland, arguing the city's new renter-protection laws violate state law.

The lawsuit comes four days after Portland's renter protections began. Portland now requires landlords to give at least 90 days' notice before evicting tenants without cause or raising rents 5 percent or more.

The lawsuit, filed by attorney John DiLorenzo on behalf of Melcliff Associates, contends that Portland's policy amounts to rent control in violation of state law.

"The City Council has already stated its preference in legislative hearings to enact local rent control ordinances and would likely do more if it could overcome statutory pre-emption," he said in an email.

Melcliff also argues that it "faces a real and immediate threat and irreparable injury by virtue of the chilling effect" of the rules.

City officials didn't immediately comment.

Melcliff is registered to Portland resident Tim Gray, according to state records. The company hired DiLorenzo, an attorney who since 2011 has represented a small group of ratepayers suing the city on allegations of improper use of utility dollars. Melcliff Associates owns 52 apartments, DiLorenzo said.

Commissioner Dan Saltzman, who oversees the Housing Bureau, introduced the renter protections in October amid record-high rent increases and rock-bottom vacancy rates.

The City Council discussed how far the renter protections could go before Portland would be trumped by state law. At the time, Saltzman quelled discussion of a 120-day notification period, saying it "veers" toward violating state law.

In an email, DiLorenzo said the city is already pushing the envelope. "If the City was unwilling to enact 120-day notices because they violated state pre-emption, why should 90-day notices be any different?" he asked.

DiLorenzo contends that the City Council ultimately wants to enact local rent control, which he called a "horrible public policy." He said it was ironic that city officials gave landlords just 30 days' notice of the impending rule change, while tenants now get 90 days' notice.

DiLorenzo said he expects a court hearing in 2016, probably by February.

Why Portland City Council's concern for low-income homebuyers is so unconvincing: Editorial Agenda 2015

*By The Oregonian Editorial Board
November 17, 2015*

On Wednesday, Portland City Council will consider awarding a \$123,000 contract to the nonprofit Portland Housing Center to provide financial fitness classes, counseling and other services to low-income people who'd like to become homeowners. All of this will be useful, of course. But the modest gesture will do little to address two other challenges faced by those who'd like to buy property despite having little money. The first is the rising cost of housing in the area, for which reason the proposed contract sensibly contains an emergency clause. The second is limited access to better-paying jobs, especially blue-collar jobs, the supply of which Portland City Council has shown little interest in bolstering. Quite the opposite, in fact.

If City Council were as serious about improving the job prospects of low-income people as it is about helping them assess their mortgage readiness, it would support the development of a wide range of employment. These include jobs that don't sit well with some of the city's most prominent interest groups. Instead, City Council did nothing a couple of years ago while the potential development of a deep water port on West Hayden Island suffered death by mitigation – a favorite tactic of environmental groups and allied officials. More recently, City Council did nothing while Mayor Charlie Hales chased off Pembina Propane Corp. and its proposed export facility. Council is now considering a ban on such facilities that would signal approval, after the fact, of Hales' unilateral decision to banish Pembina – and its blue-collar jobs.

City Council's handling of such high-profile episodes sends a clear message to any business thinking about investing in Portland: Steer clear if at all possible. Untrustworthy government ahead. Hales, remember, welcomed Pembina to Portland with a gush of superlatives before deciding, months later, that the company must go.

Council has underscored its business-be-damned message in recent years with a steady drumbeat of smaller-bore actions. These include a decision two years ago not to seek legislation that would have allowed Portland to combat uncivil behavior on downtown sidewalks more effectively. So-called "sit-lie" legislation was a priority of the city's business community and, until late 2013, of City Council as well. The drumbeat also includes the Council's adoption of a paid sick-leave mandate, a new methodology for park development fees that puts the squeeze on commercial development and, on Wednesday, consideration of a "ban the box" ordinance.

The proposed ordinance would prohibit employers in most instances from looking up a job candidate's criminal history until after making a conditional offer of employment. Employers could rescind offers at that point, but to do so they'd have to determine "in good faith that a specific offense or conduct is job related for the position in question and consistent with business necessity." They'd also have to notify the applicant in writing and "identify the

relevant criminal convictions on which the decision is based." Rejected job applicants who thought themselves wronged would involve the state Bureau of Labor and Industries.

The intent of the ordinance – to ensure that people with criminal histories get a fair hearing – is good. But the ordinance itself is heavy handed. It would allow a state agency to second-guess the judgment of employers in making important hiring decisions, all for the benefit of people who've distinguished themselves by breaking the law.

Such job applicants do deserve a fair hearing. But this would be provided by a less onerous mandate approved this year by the state Legislature. It bars employers from broaching the criminal-history subject prior to an initial interview. The state law hasn't yet gone into effect, yet here are Hales and his colleagues preparing to turbo-charge it.

Those who support Hales' ban-the-box proposal would argue that it's good for low-income workers, and in a narrow sense that's true. It certainly would be good for workers with criminal histories. But those who focus narrowly on the benefit this ordinance would bring to a small population ignore a much bigger problem: the environment created by the city's steady drumbeat of anti-business mandates punctuated by the occasional West Hayden Island and Pembina blowup. If businesses, recognizing the dearth of adult leadership in Portland, end up avoiding the city whenever possible, it hardly matters when criminal history may be discussed during an interview for a job that doesn't materialize.

City Council should go ahead and approve the \$123,000 contract for home-ownership counseling. There's something insincere, however, about waving a few dollars in the direction of low-income people while poisoning the city for businesses that otherwise would invest here and provide decent jobs that some of those low-income people might like to have.

Willamette Week

Amanda Fritz Hosts Women-Only Retreat for City Leaders

By Beth Slovic
November 18, 2015

Last year, Portland Mayor Charlie Hales raised eyebrows when he decided to spend \$56,000 on diversity training for white male leaders at the top of city government.

The "White Men as Full Diversity Partners" session took place over 3 1/2 days at a golf resort near Mt. Hood.

Last week, Commissioner Amanda Fritz hosted a women-only session for top female leaders in city government.

The venue and the cost were far more modest, but what exactly the women talked about is a secret as far as Fritz is concerned. She declined to answer WW's questions about the topics of discussion or purpose of the session, which pulled several female bureau leaders from their offices on Friday, Nov. 13.

"There's nothing remarkable about it," Fritz told WW.

Fritz did disclose the location—and it wasn't a golf resort. The women met at the Ambridge Event Center on Northeast Martin Luther King, Jr. Blvd.

A call to Ambridge revealed a group called DS Consulting —a "woman-owned conflict management and consensus building firm"—rented the space for about 10 people.

Tim Crail, Fritz's chief of staff, says his office will pay DS Consulting no more than \$4,500 but probably closer to \$3,500 for the retreat.

But what happens in women's group stays in women's group, apparently.

Portland Landlord Challenges New City Ordinance On Rent Increases

UPDATED: "It wasn't unexpected that we'd have a legal challenge," Saltzman says. "It's important that we give renters more than 30 days notice."

By Nigel Jaquiss

November 17, 2015

A Portland landlord today filed a new lawsuit in Multnomah County Circuit Court seeking to block a new city ordinance that requires a 90-day notice of rent increases of more than 5 percent.

The landlord, Melcliff Associates, is seeking an injunction against the ordinance, which city council approved on Oct. 13.

Melcliff's lawsuit says that the ordinance conflicts with state law in two ways: first, it triples the currently required notice period of 30 days; and second, it in effect imposes rent control because landlords cannot raise rents during the lengthened notice period.

Typically, cities cannot pass local laws that conflict with state laws.

John DiLorenzo, Melcliff's lawyer, raised a number of objections to the ordinance. DiLorenzo, who has previously sued the city over what he and his clients consider excessive water and sewer rate increases, notes that the city has not approved any comparable limitation in its ability to hike water and sewer costs.

And more to the point, DiLorenzo says that rent control, which has a checkered history in New York and San Francisco, is ineffective.

"Rent control is a slippery slope," DiLorenzo says. "It's a horrible policy."

Updated with a response from the city of Portland at 1:50 pm:

City Commissioner Dan Saltzman, who directs the Housing Bureau, says city officials haven't yet seen the lawsuit but he's familiar with the argument DiLorenzo is making.

"It wasn't unexpected that we'd have a legal challenge," Saltzman says. "It's important that we give renters more than 30 days notice."

Saltzman adds that the city's attorneys were fully aware of what state law says about renters' rights.

"We acted on the advice of attorneys who said it was reasonable to extend to 90 days," he says.

The Portland Mercury

An Apartment Owner is Suing Portland Over the New Renter Protection Ordinance

By Shelby R. King

November 17, 2015

Four days after Portland's so-called renter protections took effect, an apartment owner has filed a lawsuit claiming the city's new ordinance is invalid under state law.

Melcliff Associates, which owns several multifamily buildings in the area, is challenging Portland's new ordinance that requires landlords give tenants a minimum of 90 days notice before serving them with a no-cause eviction or raising their rent by more than 5 percent.

The lawsuit, filed by attorney John Di Lorenzo for the plaintiff, claims the new ordinance amounts to rent control, which is banned under Oregon statute.

"The Ordinance threatens severe penalties should Plaintiff attempt to comply with paramount state law and its Rental Agreements, rather than the Ordinance," the lawsuit reads. "Plaintiff faces real and immediate threat and irreparable injury by virtue of the chilling effect of the Ordinance."

Housing Commissioner Dan Saltzman in October introduced the protective measures after housing activists declared a "renters state of emergency" and asked for a moratorium on all no-cause evictions and a one-year notice for rent increases of more than 5 percent.

At the time Saltzman proposed the ordinance, city attorneys predicted they'd get sued by landlords, but told City Council they believed the terms of the ordinance were legally defensible. Saltzman in an email to the Mercury today stood behind the ordinances.

"The new Portland tenant protections provide renters more advance notice of rental increases - 30 days is just not enough time for renters to budget for the exorbitant rental increases many families are facing," Saltzman wrote. "City Council, upon the advice of its attorneys, determined that a reasonable and sound legal option was to extend that notice to 90 days."