



Portland Housing Bureau

Mayor Ted Wheeler • Interim Director Shannon Callahan

Rental Services Commission (RSC)

June 19, 2018

2:30 – 5:00 p.m.

Portland Housing Bureau, Suite 500

421 SW 6th Ave.

Portland, OR 97204

June 19, 2018 Meeting Minutes (approved)

- ✓ = RSC member action item
- ▶ = PHB staff member action item

***Note:** Meeting minutes are intended as a meeting summary that records the members present, all motions, resolutions, votes taken, and the general substance of any discussion. If a more detailed record is necessary, full audio recordings of all RSC meetings are available upon request.*

Members Present: Margot Black, Christian Bryant, Christina Dirks, Laura Golino de Lovato, Jessica Greenlee, Deborah Imse, Yoni Kahn-Johnowitz, Michael Nuss

Members Excused/Absent: Ian Davie (excused), Allen Hines, Katrina Holland, Raul Preciado-Mendez, Leah Sykes

Staff Present: Cupid Alexander, Anthony Bencivengo, Jamey Duhamel, Stacy Jeffries, Andrés Oswill, Matthew Tschabold

All RSC meeting materials are archived on the website at <https://www.portlandoregon.gov/phb/76347>.

Agenda Item	Discussion Highlights	Outcomes / Next Steps
Call to Order, Roll Call, Minutes	<p>Christian Bryant, Co-Chair of the Rental Services Commission, called the meeting to order at 2:48 pm.</p> <p>Quorum was reached; Laura Golino de Lovato made a motion to approve the May minutes, Mike Nuss seconded the motion, and the minutes were unanimously approved.</p>	
Staff Update	<p>Andrés Oswill reminded the commissioners to respond to Stacy Jeffries’ email requesting their contact information.</p> <p>He informed the commissioners that the timeline for screening criteria and security deposits continued to shift, and that the plan is still to bring that legislation to Council at the beginning of September. The current meeting is being held chiefly as a work session on security deposits, since that policy has been largely the same since last September. The RSC isn’t meeting in August, which means they only have this month and next month to discuss screening criteria/security deposits. Andrés acknowledged that there was still a chance the screening criteria policy would change substantially before going</p>	

	<p>to Council. He urged commissioners to keep the bigger picture in mind, and think about what they would like to see in a bill that addresses security deposits/screening criteria more broadly.</p> <p>Regarding rental registration: We anticipate that the revenue division will bring a bill to Council early in July, and that fields for rental unit registration will be added to the business licensing system that landlords already use. There will not be a registration fee during the first year. After the first year, we will move to a revised system, though we don't yet have numbers on what the registration fee or the penalty will be. PHB will develop a framework for the permanent registration system, and that policy discussion will be happening over the next year.</p> <p>Laura Golino de Lovato asked how the landlord community was being notified of these changes.</p> <p>Christian Bryant asked what the process would be after landlords were notified: Is there a grace period for registering, or is there an instantaneous penalty?</p> <p>Jessica Greenlee asked if there would be a draft by the next RSC meeting (on July 17).</p> <p>Andrés Oswill confirmed that there would be a policy in writing about a week before Council votes on it, which is currently scheduled for early July.</p> <p>Deborah Imse asked when the rental registration system was expected to be up and running, and if the Bureau would add demographic questions to the initial framework.</p> <p>Andrés Oswill did not know when the system will be up and running. He stated that he expects the initial rental registration fields to focus on the rental unit itself; for example, the number of bedrooms, unit ownership, location, and owner contact information.</p> <p>Margot Black offered comments regarding the role and scope of the commission, and asked if it would be possible to get a written, bullet-point briefing of things coming before City Council, and other initiatives like the eviction prevention pilot, Airbnb tax, BPS mobile home proposal, URM, what PHB's Rental Services Office does, and what services it provides. She feels a lot is happening that the RSC is not being informed about, and not having an opportunity to discuss in terms of how it impacts renters.</p> <p>Margot added that she still doesn't know how to get things on the agenda, and requested notes from executive committee meetings.</p>	<p>► Andrés will follow up and see how landlords are being notified, and what the process will be after they have.</p> <p>► Andrés will notify commissioners when a draft is available.</p>
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	<p>Andrés informed Margot that full recordings of the executive committee meetings are available online.</p> <p>Christian let Margot know that she could email any requests for agenda items to Andrés or Stacy, who could get them to the executive committee.</p>	
Security Deposits Review	<p>Andrés gave a paragraph-by-paragraph review of the draft security deposit policy. The commissioners’ questions and concerns are summarized in the bullet-point action item list below (in the “Security Deposits Discussion” section).</p>	
Public Testimony	<p>Landlord Jeff Sielicky offered the opinion that recent policy changes are making things so complicated and cumbersome that landlords like him will sell, and that new buyers will pay high prices and charge higher rents. He claimed that landlords are afraid to rent to people he described as “marginal,” saying that they used to be more willing to take a chance on certain tenants, knowing that if it didn’t work out, they could give notice. He says he knows landlords who are now willing to keep units vacant rather than take that chance, and that making things harder on landlords is ultimately hurting poor people.</p>	
Security Deposits Discussion	<p>A discussion of the draft security deposit policy resulted in the following list of action items, which the commissioners would like to be clarified / considered before the policy is finalized:</p> <ul style="list-style-type: none"> • Define structural and non-structural items. • Clarify what/who determines the length of time for paying in installments. • Clarify “a month’s Rent” for the security deposit cap. • Remove reference to first month’s rent. The security deposit cap amount should be determined by if prepaid rent for the last month is required. • Clarify contiguous area for carpet. • Define basic cleaning and filth. • Modify the depreciation table. Sub-standard appliances don’t last 27 years, which could disproportionately impact low-income tenants. 	

	<ul style="list-style-type: none">• Concern around requiring landlords to maintain documents going back 27 years.• Add to ordinary wear and tear, that it will include wear and tear caused by something related to a tenant's disability.• Add that ordinary wear and tear for households with pets or children should include ordinary wear and tear for them.• Concern around defining ordinary wear and tear excessively, which could potentially violate Fair Housing law.• Modify Condition Reports to account for when property managers correct deficiencies identified in the move-in report.• Concern that requiring landlords to serve as their own collections agency is unusual.• Clarify that damage related to a modification for a tenant's disability can be charged, but damage related to an accommodation for a tenant's disability cannot be charged.• Modify payment of interest from interest-bearing accounts should allow for the landlord to deduct account-associated fees or maintenance costs.• Modify that in the event a tenant does not complete a Condition Report, and the landlord completes the report, the landlord <i>shall</i> complete a Condition Report and provide a copy to the tenant.• Add that a landlord shall give adequate notice to the tenant of when the final walk-through inspection will occur.• Add that the landlord shall provide a condition report to the tenant for them to complete, along with instructions describing the condition report process.• Modify to allow landlords to conduct a condition report prior to move-in to assess before possible move-in related damages.	
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	<ul style="list-style-type: none"> • Add existing federal language about reasonable accommodations that relate to modifications vs accommodations for their effect on security deposit to maintain legal consistency. 	
<p>Topics for Future Discussion</p>	<p>Margot Black expressed interest in talking about rental references, and about visioning and a status report for the Rental Services Office.</p> <p>Deborah Imse would like to discuss what questions would be asked regarding rental unit registration. Specifically, she would like Yoni Kahn-Johnowitz to weigh in on the potential fair housing implications of those questions.</p> <p>Andrés Oswill asked Deborah if her concern was specific to the collection of demographic information on tenants, and she confirmed that it was.</p> <p>Mike Nuss would like to add discussion of a potential policy on first right of refusal; Andrés clarified that the policy was known as “tenant opportunity to purchase” (the same name it goes by in DC). Mike would also like the ability to provide input on rental registration questions. He asked Margot Black to go over her list again, which is as follows:</p> <ul style="list-style-type: none"> • Airbnb—how it affects the rental market (or not); • Eviction prevention pilot program; • Mobile home park ordinance; • URM (unreinforced masonry) policy and its potential effects on relocation assistance and displacement; • Residential infill project—specifically, the lack of outreach; renters didn’t get any information on the project, but homeowners did; • PHB’s hiring of consultants—shouldn’t the questions consultants are hired to answer have some pathway through the RSC? <p>Christian Bryant assured the commissioners that nothing was off-limits where suggestions for discussion were concerned; however, he clarified that the RSC shouldn’t give an official opinion on topics outside its purview—though such topics might warrant a briefing to keep the commission informed.</p>	

	<p>Mike Nuss pointed out that some of these topics would require a lot of staff time, and suggested making a list of priority items. Like Margot, he feels that outreach is something that should be discussed, adding that he heard a lawyer present information on mandatory relocation that he feels most property managers are not addressing (because they don't know about it).</p> <p>Christina Dirks said it would make sense to prioritize the manufactured home park overlay, since it's up for a vote in July.</p> <p>Andrés reminded commissioners to complete the landlord-tenant training survey. (BDS is overhauling the curriculum for its landlord training program.) Andrés encouraged the commissioners to send the survey to anyone they thought should be giving input on the subject.</p> <p>Yoni Kahn-Jochowitz thanked the commissioners for a productive meeting and for being actively engaged as listeners and contributing from their various areas of expertise.</p> <p>Matt Tschabold gave the commission an update on rental unit registration: The mayor's office wanted him to convey that they're working with PHB and the revenue division in the city's Office of Management and Finance to establish rental unit registration requirements. Legislation will likely be drafted before the RSC's next meeting that will include rental registration in next year's business income tax filing. There will be no fee for the first year; after that, the Bureau will be involved in discussions on how to proceed and what the fee structure looks like.</p>	
<p>Good of the Order</p>	<p>Christian Bryant adjourned the meeting at 4:55 p.m.</p>	