



Portland Housing Bureau

Mayor Ted Wheeler • Director Shannon Callahan

Rental Services Commission (RSC)
October 16, 2018
2:30 – 5:00 p.m.
Portland Housing Bureau, Suite 500
421 SW 6th Ave., Portland, OR 97204

October 16, 2018 Meeting Minutes (approved)

Full audio recordings of all RSC meetings – as well as all documents discussed – are available online here: <https://www.portlandoregon.gov/phb/76570>.

Members Present:

Margot Black, Christian Bryant, Ian Davie, Laura Golino de Lovato, Jessica Greenlee, Allen Hines, Katrina Holland, Yoni Kahn-Jochowitz, Mike Nuss, Leah Sykes

Members Excused/Absent:

(excused): Christina Dirks, Deborah Imse, Raul Preciado Mendez

Staff Present:

Jamey Duhamel, Andrés Oswill, Stacy Jeffries

Agenda Item	Discussion Highlights	Outcomes / Next Steps
Call to Order, Roll Call, Minutes	Co-Chair Christian Bryant called the meeting to order at 2:35 pm. Quorum was reached. Mike Nuss made a motion to approve the minutes from the previous two meetings: September 7, 2018 and September 28, 2018. Jessica Greenlee seconded the motion, and the minutes were unanimously approved.	
Staff Update (<u>1:40 – 4:03 of the recording</u>)	Andrés Oswill briefed commissioners on the following: <ul style="list-style-type: none">• Next meeting date: November 20th (as originally scheduled);• Permanent rule-making process for relocation assistance will begin soon; PHB expects to have updated administrative rules by the end of the year;• Shannon Callahan has been named Director of the Housing Bureau after a national search; and• The RSC has been meeting for almost a year, and Andrés will begin scheduling individual check-ins with commissioners.	

<p>Draft Update (4:08 – 40:41 of the recording)</p>	<p><u>Security Deposits: 4:16 – 18:04 of the recording</u></p> <p>Jamey Duhamel went over the most recent changes to the security deposit policy. She stressed that Commissioner Eudaly’s office was not taking additional feedback from the RSC on this policy, which has gone through additional vetting by the city attorney since last round of RSC feedback.</p> <p>Depreciation continues to be an issue, and Commissioner Eudaly will be having more direct conversations with the Mayor on this topic.</p> <p><u>Screening Criteria: 18:05 – 40:41 of the recording</u></p> <p>Jamey Duhamel solicited input from the Commissioners regarding some items in the screening criteria policy, and there was discussion on the following key points:</p> <ul style="list-style-type: none"> • ADA-accessible units: For purposes of this policy, housing providers will advertise fully accessible units; an inventory of ADA-accessible units will be pursued through rental registration process; • Advertising ADA-accessible units: Whether or not the city could direct private market landlords to advertise through certain channels, or to a specific population (such as the disabled community); Whether local government can mandate that a housing provider advertise a preference for disabled residents; • Guarantor v. additional half month’s rent: Giving tenants the option to choose between the two options; • Clarification regarding the definitions of “guarantor” v. “cosigner”: Cosigner has the same rights as the tenant under the lease agreement, while a guarantor only has financial obligation; • What can be counted as income for the purposes of income-to-rent ratio: Include subsidies, housing vouchers, etc. 	
<p>Public Testimony (40:50 – 56:19 of the recording)</p>	<p>Jon Cohen, a residential real estate broker, offered commentary on what he sees as “the little guys” of housing providers: He feels the new standards place a heavy burden on this group, and that a lot of work still needs to be done on this policy, which he says is highly confusing in several sections, even for someone who describes himself as a “recovering lawyer.” He offered to sit down with commissioners and explain further; Jamey Duhamel from Commissioner Eudaly’s office said she would be happy to take a meeting with him.</p> <p>Mark Montgomery has owned a 4-plex for 20 years. He says recent legislation has forced him to raise rent 9% every year to “catch up,” and that the proposed policy will cause him and other small housing providers to sell their properties.</p>	

	<p>Malora Golden is a housing provider with one home in Portland. She would like to reopen the discussion of a hardship exemption for relocation costs. She feels these costs should be covered through a 1% tax on all gross rental income paid by all housing providers. Commissioners pointed out that the suggestion of a revolving fund or similar financial option had been suggested during the relocation technical advisory group meetings, but had not received support at the city level. Margot Black suggested that the RSC figure out a way to put this back on its agenda, since its meetings are supposed to be a forum for public input.</p> <p>In light of some comments made during public testimony, Margot Black wanted to state for the public record that the current screening criteria policy would <i>not</i> prohibit housing providers from running background checks. Jamey Duhamel and others confirmed that this was the case.</p> <p>Carolyn Timmerman is a housing provider who has managed a 10-unit building in Sellwood for 25 years. She had complaints about a tenant with a Section 8 voucher that she says she was forced to take who didn't pay rent and damaged the unit. Removing the tenant from the unit required a lengthy court battle, and she said the experience caused her to raise the rent to keep similar tenants out. She says that the current policies are forcing her to react in ways she otherwise wouldn't.</p>	
<p>Draft update continued (56:20 – 2:16:34 of the recording)</p>	<p><u>Individualized assessment: 56:30 – 1:18:42 of the recording</u></p> <p>Yoni Kahn-Jochowitz expressed significant concerns about this version of the policy, which does not require housing providers to perform individualized assessments of applicants. He feels that giving housing providers the option of following safe harbor provisions in lieu of an individualized assessment fails to meet equity goals for protected classes, and stressed that it would not protect them from legal action under Fair Housing Law.</p> <p>Yoni pointed out that the policy would also give someone convicted of a violent misdemeanor a shorter look-back period on their criminal history than someone convicted of a non-violent felony (3 years, as opposed to 7 years), and that this is an example of why it is important to look at nature and severity of the crime for applicants with criminal histories. He stated again that he does not support the safe harbor provision, and that it's a deal-breaker for him.</p> <p>Jamey addressed what commissioners are referring to as "safe harbor standards." She said the Fair Housing Council of Oregon had been involved in discussions regarding the need for an individualized assessment if requested, or if supplemental evidence was provided at the time of application. Jamey said they are still trying to figure out how to make the individualized assessment possible, but not mandatory. The city attorney is involved in ongoing discussions of how such a two-track system would work. The city attorney's interpretation is that the individualized assessment is not mandatory, but rather a best practice guidance, and that providing the opportunity for that assessment to occur satisfies federal Fair Housing Law requirements.</p>	

	<p>Leah Sykes strongly suggested that the city attorney re-read HUD’s memo from April 2016 on individualized assessment.</p> <p><u>1:18:42 – 2:16:34 of the recording</u></p> <p>There was additional discussion of the screening criteria policy, focusing on the following points:</p> <ul style="list-style-type: none"> • Credit score: Mike Nuss was in favor of setting the number at 500; Margot Black feels there shouldn’t be a denial based on credit score without an individualized assessment. • Property debt under \$500: Christian Bryant asked for a definition of “property debt,” and Katrina Holland suggested “debt pertaining specifically to rent or damages beyond normal wear and tear.” Ian Davie expressed concerns that this part of the policy penalizes people for being poor. • Notice of denial: This is specific to individualized assessments; housing providers who use the screening standards instead would issue a notice of adverse action. There was discussion about whether the notice of denial should come from the screening company, or the housing provider/property manager. Laura Golino de Lovato says the notice of denial should come from the housing provider, because it helps to have a clear statement of who is responsible for denying the rental when you are requesting reasonable accommodation. <p>(Yoni Kahn-Jochnowitz had to leave the meeting early.)</p> <ul style="list-style-type: none"> • Two-week period for either notifying applicants or refunding their screening fees, and when that two-week period starts. • Costs related to independent screening of applicants: Leah Sykes suggested that the city attorney to look at ORS 90 295, Sub 2. 	
<p>Wrap-up and next steps <u>(2:16:35 – 2:25:12 of the recording)</u></p>	<p>Andrés asked the commissioners what they needed from him to be able to take an official position on the policy.</p> <p>Jamey Duhamel confirmed that there would be additional drafts of the screening criteria policy, that Commissioner Eudaly’s office continues to receive input on the policy, and that there is no hearing date scheduled.</p> <p>Mike Nuss expressed reservations about taking a final position on a policy that continues to evolve.</p> <p>Discussion followed on how best to structure the position letters the RSC will submit to Council.</p>	
<p>Good of the Order</p>	<p>Katrina Holland and Christian Bryant adjourned the meeting.</p> <p>Next meeting: November 20, 2018</p>	