

AMENDMENTS TO PORTLAND CITY ORDINANCE ON RELOCATION ASSISTANCE

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On July 12, 2017 the Portland City Council passed amendments to the Renter Additional Protections Ordinance (commonly known as relocation assistance). The amendments were intended to address unintended consequences from the original version passed in February.

1. To address the single-rental exemption and issues with form of ownership and professional management, the exemption is amended to read:

“...a Landlord that has an ownership interest, regardless of form, in only one Dwelling Unit that is subject to the Act in the City of Portland...”.

They also added “A Landlord that authorizes a property manager that is subject to, and manages property in accordance with ORS 696, to manage only one Dwelling Unit, does not waive the foregoing exemption as a result of the collective number of Dwelling Units manage by such a property manager.”

These amendments clearly allow a single-rental owner to have their property professionally managed without losing the exemption. In my opinion, adding “regardless of form” to the first amendment does not prevent a person from owning multiple rentals, each in a separate LLC, from fitting within the exemption. “Landlord” refers to the owner of the property, which would be the LLC, and not any members of the LLC.

2. The way the relocation assistance becomes due and payable after a 10% rent increase has radically changed.

Relocation assistance is triggered by a rent increase of 10% or more in a rolling 12 month period (no real change here).

Once triggered, the tenant then has 45 calendar days to provide written notice to the landlord that the tenant wants to be paid the relocation assistance. The landlord is then obligated to pay the tenant the relocation assistance within 31 days after the tenant’s notice.

Upon payment of the relocation assistance, the tenant then has 6 months to elect either to stay and pay the higher rent (in which case the tenant has to pay the relocation assistance back to the landlord) or give a termination notice and move. If the tenant has not either paid back the relocation assistance or given the termination notice within the 6 month period, the tenant is in violation of the ordinance. However, there is no remedy provided for the tenant’s violation. Unless the rental agreement contains language which requires the tenant to comply with all applicable laws (which the MFNW rental agreement does), the landlord cannot terminate the tenant “for cause” for violating the ordinance.

When the landlord provides the relocation payment, the terms and conditions regarding the tenant's rights and obligations must be included with the payment. It is unclear exactly what is required here, but at a minimum disclosure of the tenant's obligation to either repay/stay, or leave.

Finally, it is stated "a Tenant may only receive and retain Relocation Assistance once per tenancy." This is no real change as the only way the tenant can retain the relocation assistance is to move.

3. Language was added to clarify that the amount of relocation assistance is applied per unit and not per individual tenant.