

City of Portland Relocation Assistance

Presented by:

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What it Does

- Requires landlords to pay relocation assistance to tenants when:
 - Tenancy is terminated “without cause”
 - Rent is increased by 10% or more in a 12 month period AND the tenant elects within 14 days of receipt of the notice of increase to terminate the tenancy

Amount of Relocation Assistance

- \$2,900 for a studio or single room occupancy
- \$3,300 for a one-bedroom
- \$4,200 for a two-bedroom
- \$4,500 for a three-bedroom or larger

- Amount of relocation assistance does not depend on the number of tenants

Exemptions

The new ordinance does not apply to:

- week-to-week tenancies;
- a landlord who temporarily rents out their principal residence during the landlord's absence of not more than 3 years;
- tenants who occupy the same dwelling unit as the landlord; and
- a Landlord who rents only a single dwelling unit in the City of Portland.

Effective Date

- February 2, 2017
- Applies to all termination notices, rent increase notices and renewal offers pending on the effective date
- Ordinance expires on October 6, 2017 unless the “Housing Emergency” is extended by the City Council

Termination

- Applies to any end of tenancy termination (without stated cause)
- Applies if the landlord declines to renew or replace a fixed-term lease on “substantially the same terms, except for the amount of Rent and Associated Housing Costs”

Termination

- Relocation assistance must be paid not later than 45 days prior to the termination date

Rent Increase

- Applies to any rent increase notice indicating a Rent increase of 10% or more within a 12 month period

AND

- The tenant provides a written notice of intent to terminate the rental agreement
- Rental assistance must be paid within 14 days after receiving the tenants termination notice

Transition Rules

- Ordinance applies to all termination notices, renewal notices and rent increase notices pending on February 2, 2017
- Termination Notices
 - On or before March 4, 2017, the landlord may either:
 - Notify the tenant in writing that the termination notice has been rescinded
 - Or
 - Pay the relocation assistance (would be due on the later of March 4 or 45 days prior to termination date)

Transition Rules

- Rent Increase Notices
 - Pending notice is for increase of 10% or more
 - By February 16, Tenant gives notice terminating the rental agreement
 - Within 14 days of receiving the tenant's notice either:
 - Rescind the rent increase;
 - Reduce the rent increase to less than 10%; or
 - Pay the relocation assistance

Penalties

- Creates a private right of action by the tenant
- Tenant may recover:
 - The relocation assistance;
 - PLUS a penalty of up to three months' rent;
 - Attorney fees; and
 - Court costs

Issues - Terminations

- Renewal of fixed-term lease (less than 10% increase)
 - Offer to renew must be on “substantially the same terms except for the amount of Rent or Associated Housing Costs”
 - Must the offer be for the same term?
 - Must the offer include a MTM option?
 - If no MTM option and the tenant declines the offer, must the landlord pay relocation assistance?

Issues- Rent Increase

- Calculation of increase in Rent and Associated Housing Costs
 - “Rent” means any payment to be made to the landlord under the rental agreement in exchange for the right of a tenant and any permitted pet to occupy a dwelling unit to the exclusion of others and to use the premises. “Rent” does not include security deposits, fees or utility or service charges.
 - “Associated Housing Costs” include the basic rent charge and any periodic or monthly fees for other services paid to the Landlord by the Tenant, but do not include utility charges that are based on usage and that the Tenant has agreed in the Rental Agreement to pay, unless the obligation to pay those charges is itself a change in the terms of the Rental Agreement.

Issues- Rent Increase

- Calculation of increase in Rent and Associated Housing Costs
 - Example:
 - \$1,000 rent
 - \$50 pet rent
 - \$50 garage rent
 - \$100 flat fee utility payment
 - 10% Rent increase = \$110.00
 - Flat fee utility payment is not “Rent” so is not included in the base amount to calculate the allowable increase. However, it is included in the amount of increase when determining if you have met or exceeded 10%