

LEGISLATIVE CHANGES FROM THE 2013 SESSION

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Big and Small Changes in 2014

Now law

- ▣ Requiring Renter's Insurance Allowed Outright
- ▣ Screening Criteria Limited
- ▣ Non-compliance Fees Expanded
- ▣ Foreclosure Notice Lengthened
- ▣ Housekeeping Issues Clarified
- ▣ Housing Development Tools Expanded
- ▣ ...and there are always a few towing issues

Big and Small Changes in 2014

as of July 1, 2014

- ▣ Section 8 Exemption from Source of Income Protected Class Compliance Ends

Renters Insurance

- ▣ Confirms renter's insurance is not a prohibited fee
- ▣ Allows insurance requirement if conditions met:
 - Disclosed in writing to renter before screening charge taken (including coverage required)
 - Included in a written rental agreement
 - No particular carrier can be required

Renters Insurance

- ▣ Allows insurance requirement if conditions met:
 - Current monthly renters must comply within 30 days or a 30-14 can be issued
 - Renters must have household incomes over 50% MFI/AFI (up to household of five)

Renters Insurance

- ▣ Additional Elements:
 - Insurance coverage maximum the greater of:
 - ▣ \$100,000, or
 - ▣ prevailing coverage required for similar rentals in the market.
 - Renter provides proof of coverage at start of tenancy, and at reasonable request to ensure compliance
 - Evidence of *housing provider* liability coverage must be supplied upon request

Renters Insurance

- ▣ Additional Elements:
 - No one can harass each over requirements
 - Not having insurance is material non-compliance of rental agreement

Renters Insurance

- ▣ Can't require:
 - Renters insurance in publicly subsidized housing (does *not* include Section 8 vouchers)
 - Housing provider to be named an additional insured
 - Renter to waive subrogation

Renters Insurance

- ▣ When making a claim, housing provider must include only:
 - Damages in excess of security deposit
 - Renter's legally liable damages/costs

- ▣ Must provide copy of claim to renter at time submitted to insurer

Renters Insurance

- ▣ Can't include in claim:
 - Ordinary wear and tear
 - Acts of God
 - Things you did

Screening Criteria

- ▣ Can No Longer Consider:
 - Dismissed FED's
 - FED judgments older than five years
 - Arrests without charges (although pending charges can be considered)

Screening Criteria

- ▣ Can Consider Convictions for:
 - A drug related crime;
 - A sex abuse crime;
 - A person crime
 - A financial crime (i.e. identify theft, fraud)

Screening Criteria

- ▣ Can Consider Convictions for:
 - Any other crime, if it adversely affects the property owner/management or other renters' property, or the "health, safety, or right to peaceful enjoyment of the premises" by other residents, the landlord or the landlord's agent.

Screening Criteria

- ▣ Can still rely on all references
- ▣ Screening criteria moved outside discrimination section of the law

Non-compliance Fees

- ▣ Two new fees for policy violations:
 - Smoking in a non-smoking area
 - Unauthorized pets

Non-compliance Fees

- ▣ Overall fee structure now "stepped":
 1. Warning
 2. Written notice and \$50 fee
 3. Written notice and \$50 fee, *plus* 5% of rent
- ▣ The clock resets at a year

Non-compliance Fees

- ❑ Must charge fees within 30 days
- ❑ Fee *or* eviction; can't do both for same non-compliant event
- ❑ Can't take fees out of rent

Housekeeping

- ❑ Clarified 12 am/midnight to be the end of last day
- ❑ "Rent" means a payment that gives the right to occupy the dwelling unit and the use of premises such as storage or garages...and you can charge a late fee if that rent is late
- ❑ Replacement key can be charged to renter

Housekeeping

- ❑ Can charge credit card processing fees if:
 - A renter has option to pay by cash or check, too
 - Charging fee is allowed under credit card agreement

Housekeeping

- ❑ Loss of use damages restricted to renter-caused cleaning or damages
- ❑ Time to return rent to avoid waiver made consistent at 10 days
- ❑ Carpet has to be cleaned "after the previous tenancy or the most recent significant use of the carpet" if a fee is charged

Towing

- ▣ If you use *patrol* towing on your property, must have a prominent sign that non-authorized parking is prohibited 24 hours a day
- ▣ You may still call for towing, as needed

Section 8

- ▣ Section 8 carve-out gone as of July 1, 2014 from source of income protected class status
- ▣ No one can be denied housing solely based on using Section 8 vouchers for rent

Section 8

- ▣ Housing provider *may refuse to rent*:
 1. Based on **past conduct** of a proposed renter, consistent with local, state and federal law, or
 2. Based on a **renters ability to pay** rent, taking into account the value of any local, state or federal housing assistance for which the renter is approved.

Section 8

- ▣ Housing Authorities shall “strive to facilitate landlord participation” by:
 - Ensuring timely inspection of dwelling units
 - Prompt processing of applications and payments to landlords

Section 8

- Housing Authorities shall “strive to facilitate landlord participation” by:
 - Establishing leases that match the “standard and customary” lease length for the unit
 - Providing a single point of contact for service referral assistance
 - Establishing a mechanism for local housing provider feedback

Section 8

- Mitigation Fund created for damages beyond the security deposit:
 - The damages (property or non-payment of rent) must be more than \$500; capped at \$5,000.
 - Must have a court judgment
 - Claim must be made within a year of final judgment

Section 8

- Claim paid by OHCS
- Renter to replenish fund with “reasonable” repayment plan
- Can be waived/modified for good cause
- Renter repayment status acceptable screening criteria

Section 8

- Rent Assistance Fund created to reduce risk of homelessness , but it has not been funded:
 - Utility payments
 - Transportation
 - Social services

Section 8

- ▣ Statewide Housing Choice Advisory Committee:
 - Housing providers
 - Renters
 - Housing Authorities
- ▣ Best practices, measures for evaluating program effectiveness

Section 8

- ▣ Rules being developed; questions remain:
 - What are “timely” inspections?
 - Are Housing Authorities required to provide contracts for *all* “standard and customary” lease lengths?
 - What happens if terms are not met?

Buzz Words

▣ *DOCUMENT*

▣ *CONSISTENCY*

Issues Coming in 2015

- ▣ Renter’s right to a guest v. property exclusions
- ▣ Inclusionary zoning

What's on YOUR Agenda?

- ▣ Coalition opportunity to make improvements, remove barriers:
 - Hot water heater replacements?
 - Sprinkler damage
 - Post and Mail
 - ?????