

**Long Term Rental Housing
Research Study Group**

**Public Safety Committee
2015-2016**

**Tenant Stakeholders Presentation
May 10, 2016**

Issue 1:

Spokane tenants and are rent burdened. Low income tenants have few housing options.

- 43% of Spokane residents rent their homes. (Project materials: Rental Housing Data, May 26, 2015)
- 55.4% of tenants In Spokane pay more than 30% of monthly income for rent and 47.1% pay more than 35% (U.S. Census Bureau: 2010-2012 American Communities Survey)
- Rent eats first. Tenants must pay rent first which leaves little left to make repairs when the landlord fails to respond to requests.

Issue 1:

Spokane tenants and are rent burdened. (cont.)

- Costly for tenants to move- approximately \$2000-\$3000 for rental applications, background check, deposits, first and last month rent, missed work, and moving costs.
- Vacancy rate is very low: less than 2% in subsidized housing and market rate rental housing is at a historic low of 1.3% (Spokane Low Housing Consortium)

Issue 2

Not enough subsidized low income housing in Spokane

- Only 12 out of 100 very low and extremely low income tenants are able to obtain subsidized housing in Spokane. (SLIHC)
- Subsidized rental units require annual condition inspections.
- Market rate rental housing has no condition inspection requirement.

Issue 3

Eviction and reasonable fear of eviction by tenants.

- Washington Residential Landlord-Tenant Act provides for a no cause termination and eviction with a 20 day notice. Tenants are aware that they can be forced to move for no reason whatsoever.
- Fear of eviction prevents tenants from requesting repairs to improve housing conditions. (Oregon Community Alliance of Tenants, 2013)

Issue 3

Eviction (cont.)

- Tenants who cannot move within 20 days can be evicted even if they are current in rent and never violated a rental agreement..
- Tenants with families fear a CPS referral and removal of their children if they are evicted.
- Evictions cause poverty by creating barriers to future housing, creating job instability, establishing an eviction action on a tenant's record, and making tenants ineligible for subsidized housing.

Issue 4

Lack of data collection on rental housing and tenant assistance in Spokane.

- No city department collects data on rental properties or landlord/tenant actions.
- The city of Spokane does not have a department of tenant services to answer questions or assist tenants.
- There is no way of knowing if a tenant moves, is evicted or remains after the problem is solved once they receive a notice to terminate.

Issue 5

Substandard housing is a health hazard for the tenants and neighbors. (Spokane Regional Health District presentation)

- Substandard housing causes illnesses and injuries to tenants and families.
- Children living in unhealthy homes suffer from illness, injury and depression that negatively impact education.
- Substandard property can attract rodents and pests and associated risks.
- Tenants living in substandard housing risk exposure to lead and other environmental hazards.

Issue 6

Substandard rental housing is costly for all Spokane residents including tenants.

- Spokane Police Department responds to a higher number of incidents in substandard rental property
- Fire Department reports fire hazards on substandard rental property.
- Building Department does not currently have a budget to inspect rental property, purchasers of building permits pay for those inspections.
- Homelessness is costly to all Spokane residents and financially devastating for tenants.

Issue 7

Healthy and stable housing is good for tenants, landlords and neighborhoods

- Tenants contribute to diversity and vibrancy of neighborhoods.
- Tenants spend money in their neighborhoods and contribute to local economy.
- Tenants who have stable housing in a healthy home environment have a greater chance of success in employment and education.
- Tenants who feel safe and stable are more likely to stay in their neighborhoods and become involved with their community.

Resource 1

Resources to assist tenants in Spokane are scarce, limited or nonexistent.

- Legal resources at no cost for tenants is limited to the Center for Justice and the Northwest Justice Project.
- The statewide CLEAR legal line is difficult to access and tenants often do not receive legal representation.
- Volunteer lawyers, available at unlawful detainer court do not represent tenants and only negotiate move out dates. (landlord attorney presentation)
- Financial rental assistance is available to homeless individuals and families but not available to pay the rent to prevent eviction. (Spokane Homeless Coalition)

Resource 1

Resources to assist tenants in Spokane are scarce, limited or nonexistent.

- Tenant education classes and workshops are not widely available, many tenants are not aware they exist.
- Tenants rights information is available to tenants but difficult to find and access. Two statewide tenant rights hotlines are located outside of Spokane.
- Mediation services are available but only for a fee.

Resource 2

Landlord Tenant Act regulates rental property in Spokane

- If damage is caused by tenant, the landlord can serve a 10 day notice.
- All other repairs are the responsibility of the landlord but tenant must initiate and enforce remedies.
- The only remedy a tenant has is to follow the Act and pay for repairs and deduct from rent.

Resource 2, cont.

Landlord Tenant Act, cont.

- Most repairs that tenants request are not housing condition issues. When landlords refuse to make those repairs, tenants have no city agency to call.
- Provisions to terminate the rental agreement with a 20 day notice require no reason. The only defense to a 20 day notice is retaliation or discrimination; the tenant must prove these defenses which is difficult to impossible to do.

Resource 3

City of Spokane Code Enforcement, Building Department, SPD, Fire Department, Spokane Regional Health District

- Tenants risk eviction if they report conditions that result in the building being condemned so tenants are incentivized to stay quiet.
- There is no registry of rental property to foster communication between city agencies and landlords.
- All of these agencies recommended a rental inspection program to fully address rental housing issues.

Gaps in Resources to Address Issues:

- No laws protecting tenants from no cause rental termination and eviction
- Inadequate legal representation for tenants in unlawful detainer actions
- Inconsistent and insufficient tenant assistance programs
- Not enough subsidized affordable housing for low income tenants
- No registration or inspection of market rate rental property

Gaps in Resources to Address Issues, cont.

- No reporting agency to review notices to tenants and establish records and statistics
- Tenant education classes and workshops do not reach enough tenants. Tenants are not prepared when they are served with a notice or need repairs.

Recommendations:

- Spokane adopt a Housing Security Ordinance that will eliminate no cause evictions.
- Spokane establish a rental registry and inspection program
- Spokane adopt provisions in the Landlord-Tenant Act to provide relocation assistance to tenants and hold landlords accountable.
- Spokane establish an Office of Tenant Services to enforce notice requirements, assist tenants and collect data, and offer tenant education classes.

Recommendations, cont.:

- Spokane offer no cost mediation to landlords and tenants in disputes that would otherwise result in legal action.
- Financial assistance for small scale landlords who require repair due to malicious destruction to property that would otherwise remove the property from the rental market.
- Increase subsidized low income rental housing Spokane.



APARTMENTS

“Current occupancy in the Spokane region is at historical highs, averaging over 98% in some areas.”



Mitch D. Swenson CCIM



Kim Sample



Jason J. Jackson ARIM

Apartment Market Remains **Robust.**

Spokane is experiencing a boom time for apartment owners. With over 2,200 new units coming on the market in the last three years, including 707 new units in 2013, it would be expected that the strong occupancy rates seen for the last two years would have begun to trend down with supply finally catching up and surpassing demand. However, this has not been the case. In a limited survey, current occupancy in the Spokane region was found to be at historical highs, averaging over 98% in some areas.

All of this new construction has also led to an increase in overall rental rates, although there is a divide between new apartment rents and older apartment rents; sometimes as much as \$0.25 per square foot. The increase in new construction rents has allowed many owners of existing properties to raise rents. A rising tide lifts all ships.

Despite low interest rates that usually drive single-family home demand, a large segment of the population now have a preference for the flexibility and upgraded amenities that come with renting versus owning. We expect this apartment demand to continue, but with another 874 units currently permitted or under construction and another 1,087 units planned, it seems inevitable that we will see supply catch up with demand sometime next year. Rental rates should still remain strong throughout 2015.

Spokane County

Within the last 12 months we have seen continued upward trending in rents, despite historically high levels of new construction. Concessions were practically non-existent. Property owners and developers are still viewing this as a green light to build more apartments, and lenders are still on board.

Average rents for all unit types for March 2014 in the Spokane area were \$739. By summer 2014, average rents had risen to \$842. This hike is largely due to new construction coming online at considerably higher rental rates. The increase in rents was nearly \$0.10 per square foot.

The average overall vacancy rate in March 2014 was 3.5%, which dropped to 2% by summer (well below the 5% vacancy rate viewed by many as a point of equilibrium). Looking at unit type, the lowest vacancies seen were studio units at 0.0% and three-bedroom/two-bath units with vacancies at 1.4%.

Apartment sales in Spokane County totaled \$66,000,000 in 2014. A few larger sales helped increase the sales volume for the year. Those larger sales included the sale of the 210-unit Eagle Rock Apartments, the 132-unit Rock Creek Apartments in Cheney, and the 196-unit Canyon Bluff



Public Health

Issue Brief

Health Effects of End of Tenancy Notice

September 11, 2013

Background:

The Oregon Landlord Tenant Act (State Chapter 90) states that in a month-to-month rental, the landlord and tenant are not required to give a reason or cause for ending a tenancy and that either party may terminate the tenancy with at least 30 days written notice if the renter has lived in the rental unit for less than a year. The right for a landlord to end an eviction in this manner is legally known as a no cause eviction.¹ In a no cause eviction, a tenant has two possible defenses, which are retaliation or discrimination. No cause evictions create a simple avenue for landlords to practice illegal retaliation and discrimination because either of these defenses is a difficult task. In contrast, in the case of a for-cause eviction, the landlord must give a valid reason for the eviction and a tenant has the right to many defenses to prevent eviction. Because of the lack of protections in no cause eviction controls, tenants on month-to-month tenancies are constantly at risk for arbitrary eviction. Many tenants put off asking their landlords for necessary repairs because they fear eviction and therefore remain in unsafe and unhealthy housing in order to maintain some stability for their families. Just cause eviction controls (JCEC) are laws that protect renters by ensuring that landlords can only evict with proper cause, such as a tenant's failure to pay rent or destruction of property. As a result, JCEC promote healthy and stable housing.

Review of Existing Research:

The Health Department conducted a review of current research examining the health effects of no cause eviction and retaliation on renters in Multnomah County. Based on this review, the Health Department identified the following concerns about no-cause eviction and its impacts on healthy housing:

- The number of tenants who receive no cause evictions are underrepresented in the court's record-keeping process.
- Discrimination and retaliation are the only defenses available for a no cause eviction and are difficult to prove.
- Tenants on month-to-month leases who have lived in their property for less than a year are afraid to ask for repairs because they fear eviction.
- When tenants are afraid to ask for repairs, they often remain in unhealthy housing.
- Numerous studies show that low-income communities, women, and minorities make up a large number of individuals evicted.
- Children are vulnerable to the health effects affected by no-cause eviction.
- The abuse of no case evictions places monetary burdens on low-income people and on society.
- By providing families with greater residential stability, just-cause eviction can reduce stress and adverse health conditions.

¹ See ORS 90.427.

The number of tenants who receive no cause evictions are underrepresented in the court's record-keeping process.

A forcible entry detainer (FED) is a court action by a landlord against a tenant to remove the tenant from the rented dwelling. FED records do not accurately depict the severity of the no-cause issue. Out of 2,166 evictions over a four-month period, 4.7% filed in Multnomah County courts were no cause evictions. However, data collected from a recent survey by the local tenant advocacy organization, Community Alliance of Tenants, demonstrates that 89% of callers who received a no cause eviction reported that they did not receive a FED notice, and 86% of those callers did not believe their no cause eviction was justified. Additionally, 50% of people that called 211, local phone service connecting people with community resources and social services, in February 2013 indicated that they had a housing issue, and 11% of those callers reported experiencing no cause eviction.

FED data reports no demographic information and therefore fails to tell the story of who is being evicted and why these evictions are happening. "In the actual legal process, tenants move out and give up the battle at many different stages," so there is no way to accurately depict the gravity of the hidden problem of no cause evictions.ⁱ

Discrimination and retaliation are the only defenses available for a no cause eviction and are difficult to prove.

Testimonials from tenants reveal that after asking for repairs, it is not uncommon to be issued a no cause eviction notice by a landlord that would rather illegally get rid the tenant than fix the issue as requested. Once the no cause notice is issued, the tenant could raise a defense of retaliation as the underlying reason behind the eviction, but this has not been an effective tool for many Multnomah County residents in the past. However, in the 2013 Elk Creek caseⁱⁱ, the Oregon Supreme Court recently held that to prove retaliation under ORS 90.385, a tenant must establish that the landlord served the notice of termination because of the tenant's complaint. Overall, if the tenants' complaints were one of the factors that the owner considered in making her decision to evict, and the owner would not have made that decision "but for" the tenants' complaints, then the owner was prohibited from making that decision. Because this is a very new decision, there is no proof that this new ruling will operate in a way that eliminates the fear associated with retaliation and no cause eviction.

Tenants on month-to-month leases are afraid to ask for repairs because they fear eviction.

211 callers during the month of February 2013 were asked the question, "[h]ave you ever delayed requesting assistance with a problem at your home because you feared being evicted?" 414 out of 4,233 (11%) of individuals who answered this question answered "yes." Additionally, individuals who were previously evicted were five times more likely to delay requests for repairs for fear of eviction. 62% of Community Alliance of Tenants (CAT) survey believed they were given no cause evictions because of retaliation. Substandard housing is the number one reason tenants call CAT's Renter Rights Hotline.

When tenants are afraid to ask for repairs, they remain in unhealthy housing.

The most recent review of the Community Asthma Inspection Referral (CAIR) database, which is used to manage family information related to housing and health, reveals that only 20% of approximately 350 families indicated that they were "very comfortable" approaching their landlord for repairs. According to this data, families who reported they were not comfortable

approaching their landlord are 30% more likely to have mold in their apartment, are twice as likely to have cockroach infestations, 60% more likely to report their housing is making them and their family sick, and twice as likely to report poor or bad health. Families who ask for repairs are often confronted with a no cause eviction. For example, a low-income family of five shared their story with the CAT Renter Rights Hotline about how they were to live in an ant and mice infested house with a shower was broken for two months and the stove burners that did not work properly for over a week. They requested that the landlord make the needed repairs, which were never completed. After sending a letter requesting a reduction in rent, the landlord responded by immediately posting a 30 day no cause move-out notice on their front door.

Numerous studies show that low-income communities, women, and minorities make up a large number of individuals evicted.

Of tenants reporting no cause eviction on a recent CAT survey, 68% were women. In a recent study in Milwaukee, Wisconsin, poor black women are disproportionately at risk for eviction; making up 30% of those evicted, but only 9.6% of the population.ⁱⁱⁱ Prior to just-cause eviction controls being passed in Oakland, “[F]our out of five ‘30 day-no Cause’ evictions (78%) [were] minority households.”^{iv}

Even though American Indian or Alaskan Native callers only made up 4.1% of 211 callers in February, they made up 18% of callers reporting eviction. According to the Coalition of Communities of Color Unsettling Profile, Native Americans and African Americans face extremely high disparities in homelessness, compared to other ethnic groups in Multnomah County.^v

Children are vulnerable to the health effects caused by no cause eviction.

Neighborhoods with a high percentage of children face increased evictions.^{vi} Children who are uprooted from their homes because of eviction face mental health problems, developmental delays, and increased levels of stress and depression, which often leads to violence.^{vii} FED court data does not include demographic information, but studies have shown that when demographic data is collected independent of court records, children are highly represented in the eviction process. In a Milwaukee, WI study, sixty-two percent of tenants who appeared in court lived with children. Over a third of them were women who lived with children and no other adults.^{viii}

The abuse of no case evictions places monetary burdens on low-income people and on society.

Besides the tremendous costs tenants face when forced to move, there are also various costs imposed on society as a result of no cause evictions. These costs include court and marshal/sheriff services, storage of tenants’ property, help for the newly homeless, and even emergency foster care and hospitalization in some cases.^{ix}

By providing families with greater residential stability, JCEC can reduce stress and adverse health conditions.

No cause eviction results in a significant disruption of educational, religious, social and employment connections that tenants have created in their communities. In many cases, no cause eviction may lead to homelessness.^x Strong social relationships protect health in multiple ways. Neighbors, friends, and family offer support that “buffer[s] stressful situations, prevents damaging feelings of isolation, and contributes to a sense of self-esteem and value.”^{xi} Also, seniors and disabled individuals, or others with severe health problems are at risk of fatal

health complications if forced to suddenly move from stable living arrangements. In the 211 study, disabled and special needs households made up 14% of callers who reported eviction.

Recommendations:

Based on the Health Department's review of current research examining the health impacts of no cause eviction, it is reasonable for the Multnomah County Board of Health to consider the following policy actions:

- Change the language in the OR Landlord Tenant Act (ORLTA) so that no cause evictions are replaced with language about just cause eviction controls
- Encourage cities within Multnomah County to require landlord licensing
- Pass a city ordinance requiring mandatory reporting of evictions
- Attach a requirement to the business license that requires landlords to report evictions
- Pass an ordinance as the Board of Health requiring landlord licensing and mandatory reporting
- Increase education geared towards landlords and tenants
- Monitor the current Oregon Supreme Court ruling to identify if retaliation can be successfully tried in the court
- Fund Community Alliance of Tenants Renter's Rights Hotline

ⁱ Hartman, Chester and David Robinson. "Evictions: The Hidden Housing Problem." Housing Policy Debate. Vol. 14, Issue 4. Fannie Mae Foundation. (2003).

ⁱⁱ Elk Creek Mgmt. Co. v. Gilbert, 2013 Ore. LEXIS 387 (Or. May 31, 2013).

ⁱⁱⁱ Desmond, Matthew. "Eviction and the Reproduction of Urban Poverty." AJS Volume 118 Number 1 (July 2012): pgs. 88-133.

^{iv} East Bay Housing Organizations. "Pushed Out for No Reason: Oakland Senior and Disabled Residents at High Risk for Eviction." Oakland, CA. (2002).

^v Coalition of Communities of Color. "Communities of Color in Multnomah County: An Unsettling Profile."

^{vi} Desmond, Matthew. "Evicting Children." Oxford University Press. (2013).

^{vii} Pettit, Becky. "Moving and Children's Social Connections: The Critical Importance of Context."

^{viii} Desmond, Matthew. "Evicting Children." Oxford University Press. (2013).

^{ix} Hartman, Chester and David Robinson. "Evictions: The Hidden Housing Problem." Housing Policy Debate. Vol. 14, Issue 4. Fannie Mae Foundation. (2003).

^x Guzman, Carolina, Rajiv Bhatia, and Chris Durazo. "Anticipated Effects of Residential Displacement on Health: Results from Qualitative Research." Research Summary. Prepared by the San Francisco Department of Public Health and South of Market Community Action Network (2005).

^{xi} Cohen, S, Underwood, LG, Gottlieb, BH. Social Support Measurement and Intervention. Oxford University Press. New York. 2000.

Ground Rules for Meetings

The ground rules for the workgroup meetings are simple, and designed to help the process forward in a considerate, productive manner:

- ▶ 1. Treat each other, the organizations represented on the stakeholder members, and the workgroup itself with respect and consideration at all times – put any personal differences aside.
- ▶ 2. Work as team players and share all relevant information. Express fundamental interests rather than fixed positions. Be honest, and tactful. Avoid surprises. Encourage candid, frank discussions.
- ▶ 3. Ask if you do not understand.
- ▶ 4. Openly express any disagreement or concern you have with all workgroup members.
- ▶ 5. Offer mutually beneficial solutions. Actively strive to see the other's point of view.
- ▶ 6. Share information discussed in the meetings with only the organizations/constituents that you may represent, and relay to the stakeholder group the opinions of these constituents as appropriate.

Ground Rules for Meetings (cont'd)

- ▶ 7. Speak one at a time in meetings, as recognized by the facilitator.
- ▶ 8. Acknowledge that everyone will participate, and no one will dominate.
- ▶ 9. Agree that it is okay to disagree and disagree without being disagreeable.
- ▶ 10. Support and actively engage in the workgroup decision process.
- ▶ 11. Do your homework! Read and review materials provided; be familiar with discussion topics.
- ▶ 12. Stick to the topics on the meeting agenda; be concise and not repetitive.
- ▶ 13. Make every attempt to attend all meetings. In the event that a primary workgroup member is unable to attend, that member is responsible for notifying Office of Neighborhood Services about alternative arrangements.

Final Report Formats

Format 1: List of Recommendations

Rental Housing Research Stakeholder Group Recommendations		
Recommendation #1: Improve Tenant Education		
Related Issues	Existing Programs/Policies/Procedures	Gaps
Properties in disrepair	Washington State Landlord Tenant Act	Some tenants unfamiliar with process for remedies under Landlord Tenant Act
Recommendation #2: Improve Landlord Education		
Related Issues	Existing Programs/Policies/Procedures	Gaps
Properties in disrepair	Washington State Landlord Tenant Act	Some landlords unfamiliar with duties
Recommendation #3: Empower Neighborhoods		
Related Issues	Existing Programs/Policies/Procedures	Gaps
Properties in disrepair	Code Enforcement	Code Enforcement unable to access property w/o permission from landlord or tenant

Format 2: List of Recommendations with Pros and Cons

Rental Housing Research Stakeholder Group Recommendations		
Recommendation #1: Improve Tenant Education		
Pros	Cons	
Related Issues	Existing Programs/Policies/Procedures	Gaps
Properties in disrepair	Washington State Landlord Tenant Act	Some tenants unfamiliar with process for remedies under Landlord Tenant Act
Recommendation #2: Improve Landlord Education		
Pros	Cons	
Related Issues	Existing Programs/Policies/Procedures	Gaps
Properties in disrepair	Washington State Landlord Tenant Act	Some landlords unfamiliar with duties
Recommendation #3: Empower Neighborhoods		
Pros	Cons	
Related Issues	Existing Programs/Policies/Procedures	Gaps
Properties in disrepair	Code Enforcement	Code Enforcement unable to access property w/o permission from landlord or tenant

Format 3: Preferred Recommendations

- List of the group's preferred recommendations in the first section followed by list of other recommendations

Rental Housing Research Stakeholder Group Recommendations		
Preferred Recommendations		
Recommendation #1: Improve Tenant Education		
Related Issues	Existing Programs/Policies/Procedures	Gaps
Properties in disrepair	Washington State Landlord Tenant Act	Some tenants unfamiliar with process for remedies under Landlord Tenant Act
Recommendation #2: Improve Landlord Education		
Related Issues	Existing Programs/Policies/Procedures	Gaps
Properties in disrepair	Washington State Landlord Tenant Act	Some landlords unfamiliar with duties
Other Recommendations		
Recommendation #3: Empower Neighborhoods		
Related Issues	Existing Programs/Policies/Procedures	Gaps
Properties in disrepair	Code Enforcement	Code Enforcement unable to access property w/o permission from landlord or tenant

Format 4: Common Recommendations

- List of each stakeholder group's recommendations with recommendations agreed upon by all groups at the top

Rental Housing Research Stakeholder Group Recommendations		
Common Recommendations		
Recommendation #1: Improve Tenant Education		
Recommendation #2: Improve Landlord Education		
Recommendation #3: Empower Neighborhoods		
Tenant Recommendations		
Improve Tenant Education		
Related Issues	Existing Programs/Policies/Procedures	Gaps
Properties in disrepair	Washington State Landlord Tenant Act	Some tenants unfamiliar with process for remedies under Landlord Tenant Act
Landlord Recommendations		
Improve Landlord Education		
Related Issues	Existing Programs/Policies/Procedures	Gaps
Properties in disrepair	Washington State Landlord Tenant Act	Some landlords unfamiliar with duties
Neighborhood Recommendations		
Empower Neighborhoods		
Related Issues	Existing Programs/Policies/Procedures	Gaps
Properties in disrepair	Code Enforcement	Code Enforcement unable to access property w/o permission from landlord or tenant