MINUTES

Eugene City Council Virtual Work Session Eugene, Oregon 97401

March 16, 2022 12:00 p.m.

Councilors Present: Claire Syrett, Matt Keating, Jennifer Yeh, Emily Semple, Alan Zelenka, Randy Groves, Greg Evans, Mike Clark

Mayor Vinis opened the March 16, 2022, work session of the Eugene City Council in virtual format.

1. WORK SESSION - Renter Protection Follow-up

Community Development Grants Manager Genevieve Middleton presented the Renter Protection Roadmap, Guide to the Roadmap and information previously requested by council on November 22, 2021. This Roadmap provided the outline of Phases I, II and III. This presentation ended posing two questions to Council members:

- 1. Does Council support moving forward with Phase I protections?
- 2. Does Council want staff to bring back the feasibility and resources needed to implement the Phase II and III recommendations?

Council Discussion:

- Mayor Vinis thanked staff for their work on this project and voiced her appreciation for the clear and concise way that staff has presented the information as well as suggested timelines.
- Councilor Syrett thanked staff for their work on this project and stated her disappointment that council is not able to more quickly set renter's protections in place but recognized that this is a challenging topic; pointed out that the reason that Eugene is in this position of needing renter's protections is due to the city's low rental vacancy rate, forcing renters to compete against one another for very few rental units; recognized that Council is working on the Housing Implementation Pipeline which will take longer to enact; stated her appreciation for the public input that Council has received; stated that some of this input has been requests for data surrounding renter protections ordinances, but she feels that the lived experiences of residents are just as important as data and studies; outlined that councilors recognize and understand that surveys taken are a small snapshot of those who responded and are given appropriate weight in decision-making.
- Councilor Yeh thanked staff for the presentation and work; confirmed she is in support of moving forward with Phase I and would be in favor of moving forward with displacement assistance based on the Portland model as well as capping the application fee at \$10 to move forward to public hearing; stated that she would appreciate more research and information regarding real world implications, specifically, how Phase II and III would or could impact loans and financing as she has received public input indicating this could be the case.

- Councilor Keating thanked staff for their work on this project; stated he supports moving forward adding that any item that has the orange bubble in the presentation (keeping people housed bucket) would be an urgent need and should be considered in Phase I as well, specifically items seven and eleven; stated that items eight (banning application and screening fees), nine (prohibiting landlords from including medical and education debt in regards to credit score), and 10 (loosening monthly gross income requirements) are items that also, at least partially, keep people housed and he would be in favor of advancing these items; voiced his gratitude for all who provided public testimony and recalled that testimony came equally from landlords and tenants or tenant rights activists; noted that 53 percent of the community are renters, and approximately one percent are local landlords, which leads him to believe that landlords may have been overrepresented in public testimony; stated his desire to give local resident testimony priority over out-of-town individuals and suggested that Eugene residents be given priority in public forum.
- Councilor Semple thanked the Mayor and staff for the presentation and stated that as the liaison to the Housing Policy Board, it took many months to narrow the recommendations from 50 items to the 14 that have been under consideration; stated she is 100 percent in favor of moving forward on Phase I protections, especially creating the housing navigator position; with respect to displacement assistance and no cause evictions, inquired if lease agreements require landlords to automatically extend a lease or if they have the option to decline an extension request-shared concern that landlords may choose to offer less than one-year leases to get around the one-year timeline that could require them to provide displacement assistance in a no-cause eviction; voiced regret that Council is unable to move forward on a universal housing application, however, understands that it is beyond the City of Eugene's abilities.
- Councilor Evans thanked staff for the work they have done creating the roadmap presentation; called attention to the green bullets in Attachment B (Housing Racial Equity), stating he believes this is not just reflective of national statistical averages but equally reflective of local trends as well; called attention to the timeline and the fact that Council has been working on this matter for a long time; supported pushing for a timeline to have Phase I approved prior to next break at the end of July and to move forward with Phases II and III before Winter break.
- Councilor Groves thanked staff for the succinct presentation; recognized that renter protections are an emotional topic on both sides of the matter and that with a 1.6 percent rental vacancy rate, Eugene is facing a real problem in housing; supported moving forward with Phase I and said he would like to see the code version and hear public testimony but is hesitant regarding Phases II and III, as the consequences could be more pronounced; asked if there will be regular check-ins with Council as these protections are rolled out so that consequences can be monitored; expressed interest in monitoring for unintended consequences such as loss of rental inventory due to selling off to avoid liability to these protections, or whether landlords are creating new challenges to work around these proposed protections.
- Councilor Zelenka thanked staff and noted that this topic was first discussed by Council six years ago which is a long time and a lot of public input from all sides has been taken in which he appreciates; noted that although he understands the limitations the City has, he wishes that more could be done on a faster timeline to protect renters;

he stated that he supports moving forward with Phase I and a cap in application/screening fees as well as item 7, displacement assistance. Regarding question 2, he is in favor of moving forward with an accelerated timeline.

- Councilor Clark thanked staff for the presentation and stated that the answers to questions 1 and 2 are "maybe" and "no;" expressed appreciation for his colleagues' testimonies, confirming that Councilor Syrett was right in saying that Eugene has a supply problem in rental housing; said he supports parts of Phase I but has concerns that the unintended consequences could be detrimental, noting that when costs to landlords are increased, they will increase costs to renters; voiced concern that landlords will evict tenants so that they can raise rents to absorb the increased costs due to new ordinances; noted that private landlords may be squeezed out of managing their own properties if regulations become harder to manage; expressed concern that over-regulation could create a more difficult renter environment and fewer rental homes in the community.
- Mayor Vinis asked staff to clarify what factored into the decision to put certain items in each phase of the renter protection timeline, specifically why displacement assistance was not included in Phase I.
- Councilor Syrett stated that she is in support of moving items in Phase I forward and is inclined to put a modified motion forward to add the application and screening fee cap into Phase I but is hesitant to move forward with displacement assistance at this time; noted that the proposed protections are not the same as Portland's and were shaped to local need.
- Councilor Keating stated that he had previously signed an eight-month lease, and this
 is already becoming commonplace to give landlords the flexibility to give no cause
 evictions, which is why he feels that number 11 (banning no cause evictions) is critical;
 noted that he is also in favor of items 12-14 that are not moving forward and urged the
 members of the Intergovernmental Relations committee to support these items at the
 state level; added that he would like to see, whether via Intergovernmental Relations or
 Poverty and Homelessness Board, a reduction or cap on pet deposits and weight and
 breed limits.
- Councilor Groves noted that he agrees with Councilor Keating on state level solutions for many renters' protections and believes that these should be on a state level to avoid putting communities at a disadvantage against others; asked staff if displacement assistance will limit relocation to a local rental or if it would allow renter to relocate to another city with the assistance and shared that he would be interested to hear Portland's experience with this.
- Councilor Zelenka referenced attachment C, item seven which highlights that "there is no county in America where a renter working 40 hours a week, earning minimum wage, can afford a two-bedroom apartment without spending more than 30 percent of their income", calling it startling; pointed out that in Eugene 56 percent of renters are cost burdened, 86 percent of low-income renters are extremely cost burdened and 33 percent of all renters are severely cost burdened; confirmed his support for moving forward with Phase I as well as the application and screening fee cap and displacement assistance; noted that, regarding Phases II and III, he would like to see the addition of timelines; agreed that a lot of these items should be a state-level ordinance but recognized that state action often follows local action, i.e. Eugene's sick leave; asked that rapid return of screening fees be added into number 8 in Phase III and asked that

timelines be added to require actionable deadlines for each phase: Phase I before summer break, July 31, 2022, Phase II November 1, 2022 and Phase III by February 1, 2023; suggested Council name the renter protections actions in tribute of Norton Cabell to honor his decades of work on renters' protections (Norton Cabell Renter Protection Act).

- Councilor Clark inquired if a landlord could create a lease that is counter to measures in SB608 or city policies created; agreed with the photo documentation, but questioned how landlords are to document a smell or non-visible damages (pipes, drains, etc.)
- Councilor Evans stated his agreement with Councilor Zelenka regarding timelines for
 phases and would like to see all phases decided on before the holiday break at the
 ended of the year; shared that he feels it is important to act quickly and revisit later if
 changes need to be made once the protections are rolled out and suggested that Council
 set a benchmark check in date to review how the changes are impacting the community.
- Councilor Yeh agreed with Councilor Evans that Council does not have a crystal ball to see how protections will impact the market but putting off action will only cause more struggles for residents as they wait for protections; said she believes that the timelines should be shortened if possible; confirmed with staff that Portland's model has been challenged and upheld in Oregon courts and inquired if Eugene can adjust the displacement assistance amounts if the model is kept.
- City Manager cautioned Council that pulling items from different phases into Phase I could slow the process down as some Phase II and III items have not been fully researched and could require extra time to do so.
- Councilor Zelenka clarified his timeline suggestion is to get Phase I back in as soon as possible for public hearing and action before summer break, then Phase II to hearing and action by November 1, 2022, then Phase III to hearing and action by February 1, 2023.
- Councilor Semple inquired if the timeline that Councilor Zelenka proposed is possible.
- Mayor Vinis stated that although she agrees with Councilors Yeh and Evans that things can be fixed or altered after rollout of protections, she cautioned Council that this could come at a deep cost; stated that sometimes it is worth it to take the time to get things right or closer to right than it is to move faster and get it wrong then have to come back and fix it.

MOTION (restated): Councilor Syrett, seconded by Councilor Keating, moved to direct the City Manager to schedule a public hearing prior to council's summer break and action on the protections included in Phase I as described in the AIS and to include #8 application and screening fee cap of \$10.00 into Phase I and provide council with actionable information on items in Phase II by November 1, 2022 and Phase III by February 1, 2023.

 Councilor Clark – asked why the fee cap was originally put in Phase II and not Phase I; asked the City Attorney to speak to the legality of banning an application or screening fee; asked if it would be impermissible for landlords to create a new fee of some kind to get around the fee cap; asserted that since staff cannot answer these questions, the consequence of a landlord feeling burdened by these actions may cause them to evict and sell.

- Councilor Keating thanked Councilor Syrett for advancing item 8 regarding
 application and fees in the motion and asked that the motion include screening fees as
 well as application fees; added that there are many third-party fees that renters pay and
 he hopes that this measure will help to reduce some of the nickel and diming of renters;
 underscored a sense of urgency for a timeline on the phased protections.
- Councilor Evans requested to add number 7, displacement assistance for no cause evictions to the Phase I items.
- Councilor Syrett states she would prefer that this request be a motion to amend and go to vote as it is a complicated issue.

MOTION TO AMEND: Councilor Evans moved, seconded by Councilor Yeh, to add #7 displacement assistance for legal no-cause evictions modeled after the City of Portland's mandatory relocation assistance code to the Phase 1 ordinance.

- Councilor Yeh thanked Councilor Evans for the motion to amend and stated it was her intention to make the same motion.
- Councilor Clark asked staff to explain why number 7, displacement assistance, was
 placed in Phase II; asked how the money in displacement assistance is handled, what
 the City's role is in that; asked staff to explain the Portland model; asked Councilor
 Evans if the intent is to allow tenants to damage a unit, not pay for it and force the
 landlord to pay displacement assistance.
- Councilor Evans in response to Councilor Clark's questions, stated it his intent that if someone is being evicted, they get some assistance in making their move, noting damages are deeper into the details than he intended for this meeting.
- Councilor Clark asked Councilor Evans if a landlord still be forced to pay assistance.
- Councilor Evans stated that this scenario differs because the landlord would have legal options to pursue to cover damages and back rent.

MOTION AND VOTE: Councilor Evans moved, seconded by Councilor Syrett, to extend the meeting time to allow Council to complete the discussion and voting. **PASSED 8:0**

- Councilor Clark stated he is against moving displacement assistance into Phase I as staff is not being given clear directions as to what ordinance to bring back; asked Councilor Evans if it is his intention to have carve outs for scenarios where tenants have back rent or damages to the property.
- City Manager advised that if displacement assistance is moved into Phase I with a July deadline, staff would be forced to create an ordinance without a work session, which would likely mean that staff would have to use Portland's model exactly without customizing it to Eugene's needs.

MOTION TO POSTPONE THE MOTION TO AMEND: Councilor Clark moved, seconded by Councilor Zelenka, to postpone displacement assistance discussions until staff is ready in Phase II, November 1, 2022.

- Councilor Clark stated he is making this motion as he does not want anyone to feel that they must vote on their strong feelings about this item other than to say they are not ready.
- Councilor Semple stated that this issue is important to her, that she wants to do it
 right and there is not enough information on displacement assistance to make an
 informed decision; said she does not want to delay or confuse Phase I by forcing this
 protection into the timeline; noted that Portland created its assistance rates based on
 number of rooms and asked if Eugene can set the rate by rent costs and whether this
 can all be researched and presented prior summer break.
- Councilor Zelenka said he believes Phase I is very important and would like it to move forward and he does not want to delay the items presented in Phase I by adding in items that staff have stated they cannot have competed in time for summer break.
- Councilor Keating strongly urged a no vote on the motion to postpone and applauded Councilor Evans for underscoring the urgency; advised that four months is enough time to enact the already vetted displacement assistance that Portland has in effect.
- Councilor Syrett recognized the urgency of the issue but said she believes that taking a little more time and doing due diligence will result in a better policy than Eugene would get by adopting Portland's model, noting that pushing displacement assistance into Phase I could delay Phase I further; noted that the application and screening fee cap would provide some relief and is easier to enact than displacement protection would be; supported Councilor Clark's motion to postpone.
- Councilor Groves said he is inclined to agree with Councilor Clark's motion to postpone; apologized to the renters who are suffering without displacement assistance, but said he does not feel Council has enough information to make a responsible decision on this matter.
- Councilor Semple noted that she would love to move this issue along but wants to get it right and by adopting something too quickly they would not be serving their constituents.

VOTE ON MOTION TO POSTPONE: PASSED 5:3, Councilors Evans, Keating and Yeh in opposition

VOTE ON MAIN MOTION: PASSED 7:1, Councilor Clark in opposition

Mayor Vinis adjourned the meeting at 1:47 p.m.

Respectfully submitted,

Brooke Freed City Recorder AIC

(Recorded by Sara McKinney)

Link to the webcast of this City Council meeting here.