



December 2015

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NEW FEATURES

Do You Know? We'll be combing the world of rental housing to find interesting tidbits and information to surprise you.

News Around Oregon – We're gathering news from around Oregon. What's happening in LaGrande is just as important as what's happening in Portland, or Medford.

National Housing Headlines – We'll report on rental housing trends across the nation.

Housing Links – Want more information? Need contact numbers? Who, what, where and when? Check out these helpful links to sites that can help you.

PRESIDENT'S MESSAGE

National Affordable Housing Crisis

By **Terry Turner**, ORHA President



The news making headlines across Oregon and around the nation is that there are not enough available rental units. The solution proposed by tenants' rights groups and some legislators is to eliminate no cause evictions and limit rent increases.

ORHA is committed to encouraging builders, contractors, developers, and state and local programs to help address the lack of affordable housing.

What is the solution, and how can we help? First, we need to identify the issue. Solving the affordable housing crisis won't be done by forcing an artificial rent cap or even by slowing down rent increases. Housing costs are driven by the same issues that all other commodities are driven by, namely the market, the costs of labor and materials. If there is less of anything, prices will naturally and automatically go up. It's just plain ignorance of the law of supply and demand to suggest that suppressing rental prices will magically solve the problem of a lack of housing units. Anyone who says that rental prices are why people can't find a home isn't listening to themselves talk. If there are ten people looking for a home and there are only five homes available in the area, logically there will be five people who can't find a home; the price of the home isn't the issue. Every study that looks at this housing "crisis" notes that the vacancy rate is extremely low everywhere in Oregon. If the rental price was the issue, then our vacancy rates would be high, not at all-time lows.

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OREGON RENTAL HOUSING ASSOCIATION
Board Meeting Schedule
January 16, 2016 - Springfield
March 19, 2016 - Springfield
May 21, 2016 - Klamath Falls
July 16, 2016 - Springfield

merry Christmas
&
HAPPY NEW YEAR



AROUND



New program offers residents 16 free LED light bulbs, installed for free in Bend

The Bend Energy Challenge, a program of the Environmental Center, is offering a free and convenient way to make your home more energy efficient. Through the LED Light Bulb Installation Program, The Bend Energy Challenge will install up to 16 LED bulbs in your house – all for free.

Today's Light Emitting Diodes, commonly known as LED light bulbs, can be six to seven times more energy efficient than conventional incandescent light and cut energy use by more than 80 percent. LEDs can also last 25 times longer than traditional light bulbs.

During an installation appointment, the team will determine and address highest traffic areas in the home. Existing bulbs will be replaced with energy-saving LED bulbs for lamps or recessed can bulbs.

As a result of the installation, residents can save up to \$160 on utility bills each year. If each household in Bend switched just eight bulbs, the community would cumulatively save \$2.6 million.

For even bigger savings, the team also installs water-saving features such as high power, low flow showerheads and kitchen aerators.

"We're excited to bring this program to Bend as a way to thank Energy Heroes who are a part of our team and have

been working hard to save energy," said Lindsey Hardy, Bend Energy Challenge project director. "Through this program, we'll also connect even more people with an easy and affordable way to save energy."

Residents can sign up for the programs at www.bendenergychallenge.org/freebulbs

Once signed up, you will receive a call to schedule the installation. The installation appointment takes approximately one hour.

This program is made possible through collaboration with the Energy Trust of Oregon. The Bend Energy Challenge is only able to install light bulbs for customers served by Pacific Power and water-saving features for customers who heat their water with Pacific Power or Cascade Natural Gas. The team can only replace incandescent bulbs in high traffic areas. This office is currently available in zip codes 97701, 97702, and 97703. www.bendenergychallenge.org/freebulbs



http://energytrust.org/library/forms/BE_PI_IncentiveBooklet.pdf

President's Message . . . continued from page 1

Second, we need to promote a faster permitting process, tax deferment programs, tax waiver programs, lower bank loan rates and loan incentives; and city and county grants to encourage builders to develop more affordable housing.

Third, Housing Authorities are working with reduced funding, while at the same time serving a dramatically increased client base. Local housing authorities need more funding now, and their clients need longer time frames to be allowed to look for housing. Rental dollar limits need to be adjusted for today's market not based on the rates from three years ago.

Most importantly, the public needs to be educated as to what "affordable housing" means. Most would describe affordable housing as basic housing with no upgrades. These units are built at a lower cost, so that they can be rented at lower

rates. They are built specifically for a population that must pay considerably less than the market rate. The usual target for this type of housing are the disadvantaged, the elderly and the disabled. Residents often have some kind of rental assistance.

Many Oregon cities are currently working on programs, grants and incentives to encourage building more affordable housing. We need to focus on the problem of growing a larger inventory of rental units, and not get sidetracked by the notion that rent control or rental rate "management" will solve the problem. Cities and counties have complete license to lower the costs of development, and to streamline the permitting process which is a huge issue with new construction.

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DO YOU KNOW

Preventive Maintenance – Facts and Statistics

7 Principles of a Healthy Home

- Dry
- Clean
- Safe
- Ventilated
- Pest free
- Maintained
- Contaminant free

Without proactive maintenance your home could lose 10% of its value. Routine maintenance can increase the value of a home by 1% each year. The net effect of regular maintenance is to slow the rate of depreciation. Over time, annual maintenance costs average more than \$3,300, according to data from the U.S. Census. Directors Credit Union and LendingTree.com, agree, placing maintenance costs at 1% to 3% of initial house price. This means owners of a \$200,000 house should plan to budget \$2,000 to \$6,000 per year for ongoing upkeep and replacements. Play offense, not defense. Proactive maintenance is key to preventing small problems from becoming big issues.

Acknowledgements & Credits
National Center for Healthy Housing
Houselogic.com
Oregon Environmental Council

President's Message

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ORHA has been committed to working with local Housing Authorities for over 20 years and many of our local associations have employees of Housing Authorities on their Board of Directors. Together, we are committed to encouraging rental owners to work with lower income tenants. Oregon's many Housing Authorities will agree that their main impediments to serving more clients are a lack of funding and a low vacancy rate.

Understanding how we got to this crisis mode would assist our legislators' to better address the real problem. The 2008 economic downturn caused many people to lose their homes and they became renters. We also have thousands of college graduates who in the past were starter home buyers that are now renters because of the sluggish job market and high student loan debt. This issue isn't the fault of greedy property owners who during the downturn; were forced to accept rents far below the level of making any kind of profit. This is a systemic problem that will take honest and creative participation of many segments of our society.

We need more rental units, not rent control by any name!

FORMS HIGHLIGHT:



ORHA Forms are Available Online!

Oregon Rental Housing Forms are just a click away!

- 1 www.oregonrentalhousing.com
- 2 Click (top right): "Click to Get ORHA Forms Online"
- 3 Input your local association code in the field labeled "Enter Your Member ID" to receive ORHA forms 1/2 PRICE
- 4 Choose a form
- 5 Click on the form
- 6 Input your information
- 7 Click "Generate PDF"
- 8 Click "Check Out" – This will direct you to PayPal
- 9 Follow payment directions. Once complete, PayPal will return to the ORHA Forms page to "Print Link." This link will also be sent to your email address.

Links

<http://courts.oregon.gov/OJD/forms/pages/index.aspx>

<http://www.rentalpropertyreporter.com/7-safety-tips-for-landlords/>

<http://www.nmhc.org/News/IRS-Eases-Repair-Regs-for-Small-Multifamily-Operators/>

National Housing Headlines

CALIFORNIA: Landlord allows media into California killers' home

On Friday, December 4, 2015 the landlord of the home rented by the couple responsible for the massacre in San Bernardino allowed entry by the media. A landlord has a responsibility to address the death in the manner defined by state laws. Oregon landlords are governed by ORS 90.425 Abandoned Property. In the San Bernardino case the authorities had a crime scene but once the authorities released the crime scene the landlord had an obligation to follow the law defined in California. In Oregon if you have a death or deaths of the sole tenant(s), you must follow the Oregon Statute 90.425. Failure to follow the law could result in the estate being relieved of liability of unpaid rent or damages. Can you imagine the damage costs for the destruction that we all witnessed

when the robotic bomb squad prevailed? What about the 2X value of property which could be claimed as missing from illegal entry or the court costs to defend your actions?

As an aside to this, one wonders if the landlord had properly screened his tenant, properly added the new wife to the rental agreement and followed up with regular inspections. This story continues on, maybe yet to be written for the landlord. Is there enough insurance available to assume this kind of liability?

Do not let an unexpected situation become your worst nightmare. Be educated. ORHA members have resources; we have each other. Call your local chapter.



Oregon Legislative Update

By **Jim Straub**, ORHA Legislative Director

As we wait for the next Oregon legislative session to begin on February 1, 2016, I can update you on a few items.

We anticipate that a bill requiring mandatory well testing by landlords will be introduced in the 2016 legislative session. You may recall that a similar bill was introduced last legislative session and ORHA opposed it, testifying in state committee that such a bill should have been directed to the landlord-tenant coalition first for consideration there. We expect this proposed bill to require that landlords test at least one time for arsenic. In the interim between the 2015 and 2016 legislative sessions, the landlord-tenant coalition is considering this proposal, and the ORHA Board is currently reviewing it to determine what position we will take in the 2016 legislature. Stay tuned for

future Legislative Updates for more information.

I also attended the most recent Housing Choice Advisory Committee meeting and received an update on the Housing Choice Landlord Guarantee Fund (also known as the "Section 8 Landlord Guarantee Fund"). Since the inception of the fund in 2014, landlords have made approximately 50 claims against the Landlord Guarantee Fund, and the fund has paid out an average of \$3,785.88 per claim. One concern of tenant advocates is that many landlords are failing to file a satisfaction of judgment with the court after the landlord has received a payout from the Guarantee Fund. This is an important component of the program, so I would remind all landlords who receive a settlement from the Guarantee Fund to be sure they follow the process through to the end and file the satisfaction of judgement.

Another item that came up in discussion at the Housing Choice Advisory Committee meeting is the fact that, when determining the rent reasonableness standard (or, what rent amount Section 8 will allow for a particular rental), HUD is using three year old rental market data. This is particularly troublesome now that many housing markets (such as Bend and Portland) have simply outpaced the data that is available to HUD. With market rents increasing in many areas of the state, three year old data doesn't even begin to represent the fair market value in many areas. ORHA would like to provide more recent and reliable data to HUD. Towards that end, ORHA is considering conducting a rental market survey of our ORHA members to assist housing authorities to better assess fair market rent values. Look for more information about this potential ORHA survey in the coming months.

oregonrentalhousing.com

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