



September 2017

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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.

Legislative Update – Session End Summary 2017

By **Jim Straub**, ORHA Legislative Director



I've talked a lot about House Bill (HB) 2004, and we all know that did not pass. I thought you might be interested in some of the other bills that were passed while we were distracted by the doom and gloom of the prospects of rent control and the loss of no cause notices.

Let's talk first about the Housing Choice Landlord Guarantee Program. This program has been rapidly running out of funds. I, along with other advisory board members, have been looking at what changes could be made to preserve the fund as it teetered towards bankruptcy. If it had run out of funds, it would have

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Improvements vs. Repairs, Which is Better?

By **Erin Eberlin**

One is not necessarily better than the other. An improvement, such as adding an addition, adds value to your property, but the entire cost of a repair, such as fixing a roof leak, can be immediately deducted on your taxes, leaving more money in your pocket.

The ideal situation will vary depending on your needs. Some landlords need to maximize all immediate write-offs because their livelihood is dependent on their yearly rental income. In this scenario, being able to classify an expense as a repair would be beneficial because it would maximize the landlord's after-tax dollars for the given year.

However, if the landlord does not need additional deductions for the given year, extending the life of the depreciation for several years, by classifying the

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OREGON RENTAL HOUSING ASSOCIATION
Board Meeting
Schedule
September 16, 2017
Bend Oregon



Improvements vs. Repairs, Which is Better?

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expense as an improvement, could be beneficial.

What is an Improvement?

An improvement is any type of renovation that will extend the “useful life” of the property.

The theory is that it will add value to the property for years to come and not just in the current tax year. Improvements are usually more intensive than repairs and usually involve greater cost.

What is a repair?

A repair is maintenance that is necessary to keep the property in working condition. The IRS defines repairs as those that “do not add significant value to the property or extend its life.” They are reasonable in the amount and are necessary to keep the property in habitable condition.

<https://thebalance.com/improvements-vsrepairs-2125241>

PRESIDENT’S MESSAGE

By **Melody Luelling**, President, Central Oregon Rental Owners Association



Can you believe another summer is all but over? As all the kids, K-college, start at their various schools, it is always a busy time of year for all, even for those of us who don't have kiddos in school.

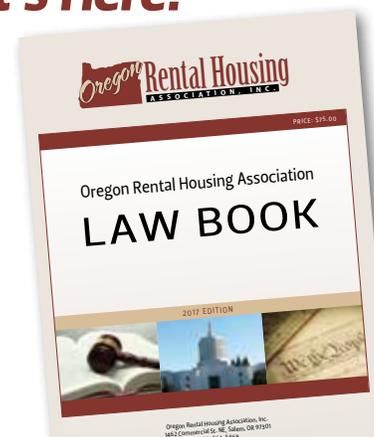
With autumn fast approaching, I'm noticing lots of education opportunities coming across my email from ORHA and our local association (Central Oregon Rental Owners Assoc). I strongly encourage all members and associations to take advantage of the education offered. Education is the best & cheapest risk management tool going. Don't let yourself be too busy to protect the assets you have worked so hard to obtain. Not to mention being the best landlords to our tenants that

we should be. Which means, being informed!

Being this year's COROA president, I have been answering several calls from our hotline. The #1 question recently has been about no cause termination notices. Of course this is different in each area of the state, so please know what is allowed by law in your particular region.

Happy landlording!

It's Here!



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www.NWTenantScreening.com
www.CascadeProcessServices.com

AROUND



Do You Want to Travel to One of Our Chapters for a Seminar? Here is the Class Schedule for September.

Thursday, September 21, 2017 3 CE

11:30 AM – 3:00 PM
Landlord/Tenant Law Update
Albany, OR
Call 541-286-5033 for more information

Saturday, September 23, 2017 7 CE

8:30 AM – 4:30 PM
Landlord Bootcamp
Bend, OR
Call 541-323-6110 for more information

Thursday, September 28, 2017 3 CE

12:00 PM – 3:00 PM
Landlord/Tenant Law Update
Salem, OR
Call 503-370-4020 for more information

Legislative Update – *Continued from page 1*

been done away with. I felt it was important to preserve this fund for use by our landlords. Remember, up to \$5,000 per claim may be available to landlords if their Section 8 tenants leave owing money or having caused damages.

HB 2944 introduced a requirement that claims made to the Landlord Guarantee Program must be proven to the judge regardless of whether or not the landlord obtains a default judgment because the tenant did not show up in court. Prior to this change, landlords who received a default judgment in court did not have to provide proof of the amount of their claim and could simply submit the total amount for refund under the program. I personally reviewed many of these claims and firmly believed that this change in HB 2944 was needed and necessary to ensure that the program is not paying out more than landlords are entitled to and, thus, preserve the integrity of program funding for all landlords.

The advisory board also reviewed staff costs for the program to see where the people were spending their time, and noticed that the cost of managing the fund was higher than anticipated. This led us to do a cost-benefit analysis of one of the sources of the highest cost-to-staff-time, which was attempting to collect from tenants monies that had been paid out to landlords under the program. The total amount successfully collected from tenants was so small and the cost to try to collect was so high that this staff expenditure was not reasonably supported. Therefore, we requested that the legislature remove the requirement that staff must make efforts to recover funds from tenants. Oregon Administrative

Rule (OAR) 813-360-0030 and 0060 was amended to make this change.

OAR 813-360-0030 and 0060 also provides that landlord eligibility for the program requires that the tenant occupancy must have begun after July 1, 2014 (the inception of the program) and that qualifying damages do not include eviction costs or fees.

Another bill passed this session was HB 2724. The Housing and Community Services Department (HACSA, or Section 8) has received funding to develop and implement a Rent Guarantee Program for the purpose of providing incentives and financial assistance to landlords for unpaid rent and for eviction and property damage costs. This program has not yet been launched and is still in the develop stage. As we learn more, we'll keep you updated on how this program might benefit you and when it will become available.

HELPFUL LINKS:

House Bill 2944: <https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/HB2944/Enrolled>

House Bill 2724: <https://olis.leg.state.or.us/liz/2017R1/Downloads/MeasureDocument/HB2724/Enrolled>

Information about the Housing Choice Landlord Guarantee Program: <http://www.oregon.gov/ohcs/Pages/housing-choice-landlord-guarantee-assistance.aspx>

OAR 813-360: http://arcweb.sos.state.or.us/pages/rules/oars_800/oar_813/813_360.html



Preparing Your Furnace For Winter

By **Brooke Strickland**

The weather will be getting colder and colder. It's time to break out the warmer jackets and turn on the heat. But before you turn on your heater, winterizing your investment properties (especially the HVAC system) SHOULD BE AT THE TOP OF YOUR TO-DO LIST. Your tenants will rely on the heater throughout the cold months of winter, so it's important to prepare the system for the upcoming winter days. Here are some helpful hints on how to get it ready.

Tip #1: Clean and replace filters.

Make sure the furnace filters are checked on a routine basis to ensure they are clean and they are replaced on a regular basis as needed.

Tip #2: Clean the inside of the furnace.

The inside of the furnace, often at the base of the heater, is where dust and other debris will accumulate. Make sure this area is clean through routine maintenance of your heating system.

Tip #3: Keep vents clear of obstruction.

Obstructing furnace vents could cause your whole system to not work effectively and could cause it to break down so make sure vents are clear of furniture like couches or bookcases. Be sure to open the vents and clean the insides so they are free of dust or other debris.

Tip #4: Get a professional tune-up.

Hiring a professional heating and cooling company to complete an annual maintenance of the heating system is a great investment and one that should be done at the turn of the season. Rental properties require a little bit of attention to detail during the bitter cold of winter and taking the extra time to do that will keep your tenants comfortable.

Links

<https://www.wildapricot.com/blogs/newsblog/2017/08/15/3-common-legal-traps-nonprofits-fall-prey-to>

<http://rentalhousingjournal.com/articles/2017/09/05/seattle-portland-tops-rental-application-approval-rates?utm>

http://www.seattletimes.com/seattle-news/politics/seattle-set-to-prevent-landlords-from-considering-applicants-criminal-records/?utm_source=email&utm_medium=email&utm_campaign=article_left_1.1

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.

oregonrentalhousing.com

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