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**Real Estate is so much FUN!!!**

By Michael A Gordon, CPA  
Not Your Basic Bean Counter

As a CPA I get to deal with all kinds of tax issues in various industries. I work with contractors, doctors, architects, engineers, retired folks, investors, businesses, consultants and so much more.

AND IT IS FUN! I love the tax world. Of course, Congress has made the tax laws so complex that I will never run out of work to do. That's okay with me!

**BUT, IN THE TAX WORLD, REAL ESTATE IS MY FAVORITE SUBJECT.** And it is truly a world unto itself. The tax laws surrounding real estate are incredible and some of the most flexible on the planet. Really.

I do an enormous amount of work with contractors, developers, rental owners, flippers, and real estate investors of all shapes and sizes. If you know the real estate rules it is amazing what kind of fabulous planning can be done. I insist on meeting with my real estate clients a couple of times a year (at a minimum) so we can strategize, plan and work on their particular situation.

There are huge opportunities in the real estate area to make money, save taxes and maximize the tax benefits for transactions.....like analyzing a sale or a like-kind exchange. The rules can be a bit overwhelming to the inexperienced. But, like I said earlier, I absolutely LOVE dealing with the tax rules for real estate. It should be illegal to have so much fun.

**Like-Kind Exchanges**

These are sometimes referred to as "1031 exchanges". They dropped off the map when our country went into the deep recession (remember that?). Now that we are out of that recession, we are seeing a large increase in these 1031 exchanges.....and rightly so.

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**General Meeting**

**1031 Exchange –  
What You Need to Know**  
Presented By: Toija Beutler  
of Beutler Exchange Group, LLC

Thursday, June 27<sup>th</sup>  
starting at 5:30pm

1700 Monroe St.  
North Bend, OR 97459

**Make a Contribution TODAY!**





### Who is the ROA?

Rental Owners Association of Southwestern Oregon is an organization that's been around for over 30 years and consists of landlords who care about practical, legal and profitable land lording practices. Through the association, they share problems, solutions, and ideas with other landlords and find information that comes from similar organizations in Oregon and around the country.



Our Association is currently comprised of over 200 landlords!

### Advertise Your Business in the ROA Newsletter!

The monthly newsletter reaches over 200 landlords who need your products/services to manage their rentals.

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- and much more...

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Book your spot today! Space is limited.

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7.5 " W x 4.5" H = \$60  
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(example not shown)

### Business Card Ad

3.5" W x 2" H = \$20

## How to Avoid a Fair Housing Claim Over Source of Income Discrimination

By **Ellen Clark** | May 13, 2019  
rentalhousingjournal.com

Photo by Sharon McCutcheon on Unsplash



Many states and cities, including the State of Oregon, have laws against source of income discrimination meaning a property owner cannot choose to reject an applicant based on where his income comes from as long as it is a lawful source.

Source-of-income discrimination has been documented by researchers, and advocates say it creates barriers for people struggling to find housing.

In Baltimore, the City Council has passed legislation that would make it illegal for property managers to discriminate against prospective residents because of how they would pay their rent. The law bans discrimination on the basis of a tenant's source of income, so long as the income is lawful. Under the law, landlords will be unable to turn away voucher holders simply for paying their rent with a voucher rather than with earned income, a rule that is already on the books in dozens of cities and several states.

This type of discrimination is known as "source of income" discrimination, and though not prohibited under federal fair housing law, it is prohibited by some state, city, and county laws. According to reports at least 12 states and numerous cities have similar legislation in place so it pays to check your local city and state laws on this issue. The states of Washington, Oregon, Utah and Colorado all have these types of laws see the list here of states and cities with these types of laws.

Source of income discrimination is often directed at people whose lawful livelihoods come from sources other than a paycheck.

### Examples of lawful sources of income include:

Source of income discrimination may not be prohibited under federal fair housing law, however, it is prohibited by some state, city, and county laws.

- Housing Choice Vouchers (Section 8)
- Supplemental Security Income (SSI)
- Social Security
- Veterans benefits
- Alimony or child support payments
- Temporary Assistance for Needy Families (TANF)

### What types of actions may be considered source of income discrimination?

Here are some examples:

- Advertising that a person "must have a job" to rent an apartment.
- Requiring documentation, such as pay stubs, that are typically only available to people who are working.
- Advertisements that express limitations as to the source of income of potential residents, such as, "No Section 8" or "We do not take public assistance"
- Refusing to rent to a person who is receiving public benefits.
- Setting income requirements artificially high in order to exclude applicants who receive public benefits.
- Requiring co-signers or a larger security deposit because of an applicant's source of income.

*continued on page 9*



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The Oregon Rental Housing Key Political Action Committee strives to elect state legislators who will work for the best interests of rental property owners.

[oregonrentalhousingpac.org](http://oregonrentalhousingpac.org)

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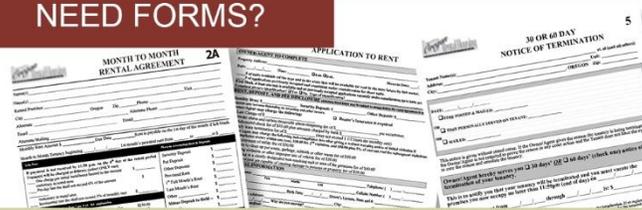
Reach over 200 landlords who need your products/services to manage their rentals.

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**NEED FORMS?**



**ORHA Forms are Available Online!**

Oregon Rental Housing Forms are just a click away!

- 1 [www.oregonrentalhousing.com](http://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.

**Forms Are Also Available to Pick Up!**  
Two convenient locations. Stop by and purchase updated forms.

2707 Broadway Ave. North Bend, OR 97459 - OR - 161 Central Ave. Coos Bay, OR 97420

## Reface or Replace: Sprucing Up Your Rental Unit with New Cabinets

May 11, 2019

landlordacademy.com

Photo by [Rustic Vegan](#) on [Unsplash](#)



Cabinets are a kitchen's most important feature. As the first thing that people notice, they get a lot of attention and can seriously impact the overall aesthetic of the room. They are also, unfortunately, quite expensive; in a kitchen remodel, cabinets alone account for between 40% to 50% of the total costs. However, this means that updating them can also bring a large return on investment, especially if you're a landlord or own a rental unit. In fact, even a minor kitchen remodel has an average return on investment of 82.7%. Since one of the trickiest decisions to make is whether to simply reface your original cabinets or rip them out and start fresh, we're going to explain the nuances of both choices.

### Replace

There's no doubt about it: replacing your kitchen cabinets entirely is not cheap. Prices start around \$4,000 to \$5,000 for stock options, but can soar all the way up to \$20,000 if you're installing custom-made cabinetry. When you add in the extra cost of hardware (pulls, knobs, hinges), that number continues to rise.

That being said, there are some circumstances in which you'd want to simply start fresh — and new. If your current cabinets aren't practical for the room, it can dissuade tenants from renting; examples include

awkward doors, shallow depths, and bizarre layouts. Additionally, if your cabinetry is severely damaged, a basic refacing isn't going to fix anything. Really take a look at your current situation before settling on a plan of action.

### Reface

It's no surprise that both rental owners and homeowners prefer refacing to replacing. The cost difference is profound: for a standard 10×12 kitchen, professional cabinet refacing is generally between \$1,000 and \$3,000; if you have a large space with quality wood veneer, that number may rise to \$9,000 — a far cry from the highest price of new cabinets.

At the same time, refacing your cabinets doesn't disrupt your life. Not only does it take significantly less time, but you don't need to shut down your kitchen during the process. If your cabinets are only showing slight wear-and-tear, they are great candidates for cabinet refacing.

When you're dealing with a project such as this, it's a good idea to consider your tenant's point of view; if you wouldn't pay extra for a shoddy job, neither will they. If you're realistic about the situation and do what needs to be done, however, you can turn a pretty nice profit.

Form of the Month



MAINTENANCE REQUEST

17

Tenant(s): \_\_\_\_\_ ① \_\_\_\_\_  
 Tenant(s): \_\_\_\_\_ et al (and all others)  
 Address: \_\_\_\_\_ Unit: \_\_\_\_\_  
 City: \_\_\_\_\_ OREGON Zip: \_\_\_\_\_  
 Tenant Email: \_\_\_\_\_ Tenant Phone: \_\_\_\_\_

Describe exact nature of problem(s): \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ ② \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

This constitutes authorization for Owner/Agent to enter the rental unit for the requested repairs. This authorization expires in seven (7) days unless repairs are in progress.

_____ Tenant	_____ Date	③	_____ Tenant	_____ Date
_____ Tenant	_____ Date		_____ Tenant	_____ Date
_____ Tenant	_____ Date		_____ Tenant	_____ Date

Owner/Agent acknowledges receipt of maintenance request.

\_\_\_\_\_  
Owner/Agent

\_\_\_\_\_  
Date

④

\_\_\_\_\_  
Owner/Agent

\_\_\_\_\_  
Date



# 17 — Maintenance Request

## What this form is for:

The rental agreements, *Forms #2A* and *#2B* require tenants to request repairs and maintenance in writing. This form enables them to notify you.

## When this form is used:

When your tenant needs a repair or maintenance done, they should complete this form.

There are at least two major benefits to requiring written maintenance requests. The first is that a procedure, regularly adhered to, is a strong defense in court. If your tenants, now in FED court, allege that they asked you to fix the leaking roof numerous times and you never did and that's why they didn't pay rent, your defense that you require all such requests be in writing (backed up by your providing piles of maintenance requests from this and other tenants) is usually compelling to a judge.

Second, the written request then authorizes you or your agent (like your maintenance guy or the plumber) to enter the property without further notice. You can just go in. Remember that the authorization is only good for 7 days. If you haven't started the repair within 7 days, you need permission again. If the repairs are started but not finished within the 7 days, that's okay. You can continue until finished.

Some Owner/Agents use this form as a tool for themselves, as well. For instance, if someone calls you about a maintenance issue, you might fill out the form with what they told you. That would be your tool for getting the repairs made. Rather than getting the tenant's signature, which can be inconvenient, you could ask the tenant to leave a note on their door, or just inside it, authorizing your entry. Only if the form is signed by the tenant does it authorize you to go in without further notice.

## How the form is filled in:

This form is generally filled in by the tenant, not you. However it's completed, here's what it should contain.

1. The name(s) of the tenant(s), address and contact information. You should call or email to acknowledge receipt of the request.
2. The description of the problem.
3. If the form is unsigned, it's an not authorization to enter. So get it signed and dated, if possible. One signature is sufficient.
4. Owner/Agent can sign to acknowledge receipt. The signature and date are for your records. File the request in the tenants file.

## Older editions:

The most current edition is "Rev. 4/16"

## Property Owners and Property Managers

are invited to attend a

# **FREE 2019 Fair Housing Training Session**

**Hosted by Oregon Coast Community Action**

Join Louise Dix, Education & Outreach Specialist, from the Fair Housing Council of Oregon for a training that will help you gain an understanding of how to comply with federal, state and local fair housing laws.



*"Fair Housing" is the name for the federal, state, and local civil rights laws that protect individuals against housing discrimination based on race, color, national origin, religion, sex, physical or mental disability, the presence of children under the age of 18 (familial status), marital status, sexual orientation, gender identity and source of income.*

**Thursday, June 13, 2019**

**3:00pm – 5:30pm**

**Oregon Coast Community Action  
Conference Rooms 215, 216, and 217  
1855 Thomas Avenue, 2<sup>nd</sup> Floor  
Coos Bay, OR 97420**

Please follow link to RSVP: <http://bit.ly/2Q7LVA5>  
(541) 435-7760. Space will be limited to 55 registrants.

***Refreshments will be provided. Cost to attend is FREE***  
**RSVP REQUIRED BY JUNE 11, 2019**



*Hosted by Oregon Coast Community Action  
Presented by the Fair Housing Council of Oregon*



For accommodations, and additional information, contact (541) 435-7760, or email [landlordhelp@orcaa.us](mailto:landlordhelp@orcaa.us).

## Real Estate is so much FUN!!!

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Some key points to keep in mind if you are contemplating a 1031 exchange:

1. You must engage the services of a “qualified intermediary”. This is the person or firm that will facilitate the transaction. You need to get this person/firm in place BEFORE you sell the property. This is critical. Many taxpayers mess this up and end up paying a lot of taxes.

2. Always be on the lookout for “boot”. If there is any “boot” you may find that some or all of the gain is taxable right now. Boot, primarily, refers to any cash you get out of the deal or any debt the other party takes over. It’s complicated, but I can help look at the transaction for you.
3. If the potential gain on the sale is small, it may be foolish to do a 1031 exchange because the cost may outweigh the benefit. The same can be true if there is a lot of “boot”.

Okay....I think I am running out of space. Hope this gave you some food for thought. I am always so happy to meet with any of you to discuss your real estate situation. It’s just a LOT of fun.

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## How to Avoid a Fair Housing Claim Over Source of Income Discrimination

*continued from page 3*

If discrimination based on the source of income is prohibited in your state or locality, one of the most important things you can do to make sure you do not end up on the wrong side of a fair housing claim is to keep all employees well informed.

- Staff members should refresh their fair housing knowledge at least annually and be aware that discrimination based on “source of income” is illegal.
- All staff members who come into contact with residents and prospective residents must be trained in fair housing laws.

- All staff members should refresh their fair housing knowledge at least annually and should be very clear that discrimination based on the source of income is illegal.
- Don’t forget about vendors and contractors! Anyone who could possibly interact with your residents should be informed of your company’s fair housing policy and asked to abide by fair housing laws.

It is important to remember that many states, cities, and municipalities have expanded fair housing protection to include additional protected classes. In addition to the source of income, these may include characteristics such as ancestry, marital status, age, military status, and student status.

Even if your area does not include some or all of these additional protections, all people should be treated fairly and equally – as a housing provider, that’s your responsibility!

# Welcome New and Returning ROA Members!

Sylvia Harvey & Michelle Wiley

## Your ROA Board of Directors

**President:** Cindy Colter  
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**Vice President:** Sage Coleman  
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**Position #4:** Vacant

**Position #5:** Dennis Schad  
dennisschad@gmail.com (541) 297-3609

**Position #6:** Danielle Cleary  
dcleary@ccnbchas.org (541) 751-2051

## Join Us

Ever wonder what goes on at ROA Board meetings? Have any suggestions to share? Interested in joining? Bring your thoughts and/or ideas. Or just listen in and see what we're all about.

The ROA Board of Directors meets every first Tuesday of the month at 880 California Ave. in North Bend from noon to 1:00pm. Meetings are always open to the public.

Consider joining the board and have a voice in your local Rental Owners Association. Everyone wins when we put our ideas together to achieve a shared goal.



**roa-swo.com**

## Contact us at:

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## In Case You Missed It: 2019 Law Update – SB 608 and Service Animals & the Law



On May 11<sup>th</sup> a training titled 2019 Law Update – SB 608 took place at the North Bend Public Library. It was very well attended, especially considering it was a Saturday morning. The presenter was Christian Bryant, who has been in the Real Estate, Property Management and Property Investment industry since 2006. He is an active ORHA board member and came down from the Portland area to break down this new legislation for us.

Christian did an excellent job of explaining the law changes, the impact this has had on our industry and what rules we are now subject to. More importantly he

explained the negotiation process and how it all played out. It's good to know that ultimately, our ORHA legislative director and lobbyist did their job to get us the best deal possible considering the circumstances.

Because this training was so jam packed with information, it ran a bit long. There were many questions posed and Christian was gracious enough to stay behind and answer member's questions individually.

Overall, many found this training to be a good investment of their time and money. After all, being in the know can save you in the long run.



The monthly educational course was on Service Animals & the Law, presented by Brian Cox, Attorney at Law. Brian traveled down from Eugene to present on this topic. He comes with some pretty heavy credentials. Not only does Brian represent many landlords in his practice, but he is also a landlord himself owning multiple residential and commercial properties. He is an active member of the Lane County ROA which consists of approximately 1,100 members and he is one of the parties who vets our ORHA forms. A very knowledgeable presenter on all things landlord/tenant law.

The subject of assistance animals is a very tricky one and there can be many pitfalls in how you handle these situations. Brian touched on the many ins and outs of this Fair Housing issue and provided a thorough slideshow presentation as well as a detailed booklet for reference.

As is typical of our group, there were many questions, some with surprising answers. Even many of the property managers found some of the information enlightening. This was a great couple of hours spent educating ourselves on a hot button topic.



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