



**Testimony in Support of HB 4143
Before the House Committee On Rules**

February 15th, 2016

Chair Williamson, Vice-Chairs Hoyle and Gilliam, and members of the Committee,

On behalf of the Oregon Law Center (OLC), thank you for the opportunity to submit testimony in support of House Bill 4143, which would provide modest but important protections for tenants living in rental properties.

OLC's mission is to achieve justice for low-income communities of Oregon by providing a full range of the highest quality civil legal services. The vast majority of our clients have incomes at or below the federal poverty level, and struggle to provide the basic necessities for themselves and their families. One of the most important issues in the lives of our clients is the challenge to find and maintain safe, stable, affordable housing. Housing is about much more than a roof over one's head; it is about opportunity, stability, and health. Without stable housing, it is difficult or impossible for families to hold down a job, keep children in school, access neighborhood amenities, and stay healthy. We appreciate this legislature's consideration of ways to provide and encourage the construction and preservation of more affordable housing stock, and the dedication of important state dollars for emergency shelter assistance. These are critical, big picture steps that we support. However, these solutions do not address the crisis immediately threatening the approximately 40% of Oregon households who are renters. We must pass reasonable and modest provisions found in HB 4143 to protect the stability of renters.

The evidence is clear that we are facing a statewide housing stability crisis for renters in Oregon. We have some of the lowest rental vacancy rates in the nation. Portland recently had a vacancy rate of under 3%, but it's as bad or worse in many rural areas. The Southern Oregon Rental Owners Association November 2015 newsletter reports vacancy rates below 3 percent in Southern Oregon. The vacancy rate is still hovering around 1% in Bend, and a December 2015 Oregonian article reports vacancy rates of under 1% on the Coast. We have reached a tipping point in this state, and the market is upside down.

In this upside-down market, good landlords have been and remain an important part of our communities. However, the market conditions are so fierce as to make Tenants vulnerable to abuse by bad actors. Notice times that used to make sense in a normal market no longer provide tenants enough time to adjust or find new housing before the expiration of the notice. Homelessness is a real risk for tenants in these situations.

While the risks and burdens of this rental crisis rest most heavily on the shoulders of low-income families, it is not only they who are at risk. We also hear stories of middle income, working Oregonians living in their cars, seeking services from shelters, or desperately afraid of eviction. The risk of homelessness for all of these families has untold negative consequences for the health, education, safety, and stability of our communities.

The bill's modest provisions would protect against sudden rent increases, giving tenants more time to budget for the increase or to find a more affordable home. Current law requires a Landlord to provide only a 30 day notice of any rent increase, in a month-to-month tenancy. There is no limit on the amount of any increase, and no limit on how soon an increase can be imposed after move-in. Our offices across the state hear stories of increases right after move-in, of significant increases, and of multiple increases in a short period of time. Rent burdens across Oregon are already high, and getting higher. Those on fixed or lower incomes are virtually unable to make up a rent increase with only 30 days' notice. Families are forced to go without medication or other necessities as they sacrifice to try to avoid sudden eviction for non-payment of rent. Often this is a losing battle, with resulting bad credit and a subsequently harder time finding new housing stability.

- **Increasing the amount of notice for a rent increase from 30 days to 90 days** is common sense - this does not alter in any way the Landlord's ability to set the rent amount, but allows the Tenant time to plan, adjust, or move without having to risk bad credit or eviction. Manufactured Home Park Landlords have been required to give 90 days' notice of a rent increase for approximately 30 years. It is time for apartment tenants to have the same protection.
- **Prohibiting rent increases within the first year after move-in** is another common sense protection. We often hear stories of Tenants saving up moving costs, negotiating a rent amount, and moving into a home, only to get a rent increase a few months later. The law ought to prevent such a bait and switch.

More work is necessary to protect tenants against the loss of housing stability from the sudden or unfair use of no-cause evictions. We hope to address these issues in 2017. In today's market, it is often impossible to find a new home within the allotted notice time. Eviction has lasting impact on families and is a cause of poverty, homelessness, and school and job instability. Renting families should not have to worry about suddenly losing their home and stability due to an eviction without cause.

Closing

A recent Harvard study found that the sudden loss of a home due to eviction or rent increases is not only a risk associated with poverty, but is a **cause** of poverty.

(http://scholar.harvard.edu/files/mdesmond/files/desmondkimbro.evictions.fallout.sf2015_2.pdf?m=1433277873)

The key concepts in the amended bill are fair and reasonable, and are critically important first steps to protect the stability of 40% of Oregon households at risk. While passage of these proposals will not address the impact of no-cause evictions, the bill will help reduce the impact of sudden rent increases.

For these reasons, we respectfully urge your support. Thank you for the opportunity to testify.