



## TESTIMONY IN SUPPORT OF HB 2004

HEARING DATE - MARCH 2, 2017

A confluence of factors has helped create a desperate housing shortage in Southern Oregon.

- The U.S. Census estimated that 200,000 people lived in Jackson County in 2008. Interim estimates place that figure around 216,000 people residing here at the end of 2016;<sup>1</sup>
- There has been no commensurate increase in residential construction. Demand for houses continues to increase along with their median prices;<sup>2</sup>
- The rental market is extraordinarily tight with a vacancy rate below 2%. Hand in hand with the tight market are escalating rents.<sup>3</sup>
- Nearly 80% of Jackson County households with an income between \$ 20,000 and \$ 34,999 pay more than 30% of that income for rent; over 90% of households with an income between \$ 10,000 and \$ 19,999 do so.<sup>4</sup>

As if this were not already challenging enough, enter unrestrained rent increases and no-cause evictions.

Currently, rent increases are constrained solely by a notice requirement. If the landlord properly gives the 90 day notice, then the sky is the limit for the amount of the increase. We represented a client living in a trailer park who received a space rent increase from \$ 250.00 per month to \$ 800.00. This was a crippling blow that acted as a de facto eviction. The fact that it is prohibitively expensive and often physically impossible to move older mobile homes greatly exacerbated the dire impact of this huge increase. By permitting municipalities to impose reasonable restrictions on the magnitude of any increase no landlord is prevented from reaping a reasonable return on his or her investment and it is possible to avert an insupportable blow to the housing security of those teetering on the edge of homelessness.

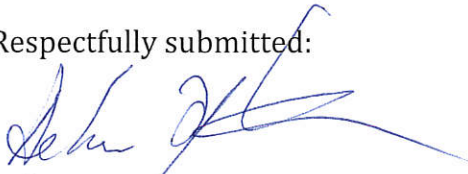
The majority of tenancy termination notices our clients receive are no-cause. We recently had a low-income family come to our office that had lived in their apartment for more than five years. Quite unexpectedly their landlord served a 60-day, no-cause termination notice on them. Their stable housing foundation was thereby upended and they were tossed into a low inventory, high cost market

through no fault of their own. Whether they will be able to avoid homelessness is an open question.

There are few current protections for tenants to avoid de facto (due to rent increases) or no-cause evictions. As noted, the only protection against massive rent increases is procedural and of only temporary impact. Some tools may be available to contest some no-cause terminations, namely those with questionable circumstances that might arguably bring them within the protections against retaliation or housing discrimination against members of a protected class. These tools, however, carry a good deal of risk for the tenant, so much so that many individuals will walk away rather than risk the negative impact of an eviction proceeding on their rental history.

Both rent increases and no-cause terminations may easily provide a pretextual basis for the exercise of prohibited conduct by a landlord. It can surely do no harm to landlords to permit municipalities to address local circumstances through some controls of rent increases. It is not asking too much of a landlord to be forthright in stating his or her reasons for the termination of a tenancy. A family's housing stability is too critical, both to that family and to the community at large, to be subject to a prohibited and arbitrary exercise of prejudice hidden behind seemingly neutral actions.

Respectfully submitted:



Debra F. J. Lee, Attorney at Law  
Executive Director

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<sup>1</sup> Mail Tribune, "Availability of Housing Growing Problem in Rogue Valley", December 19, 2016.

<sup>2</sup> *Ibid*

<sup>3</sup> *Ibid*

<sup>4</sup> State of Oregon Employment Department. "Local Housing, Employment and Income Trends", PowerPoint, October 25, 2016