Testimony in Support of HB 2004A
Before the Senate Committee on Human Services

May 2nd, 2017

Chair Gelser, Vice-Chair Olsen, 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 2004A, which would establish fundamental fairness 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. 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 a basic human need. It is about much more than a roof over one's head; Housing 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. Stable, available, and affordable housing are critical to the public health and safety of all Oregonians.

We appreciate this legislature's consideration of the variety 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.

In a growing number of communities across the state, Oregonians are rent-burdened and vacancy rates are between 1% and 3%. We have some of the lowest rental vacancy rates in the nation, at a time when more people have moved to our state in each of the last three years than to any other state in the nation. Prices have skyrocketed, and now one in four renters in Oregon is paying more than 50 percent of income in rent. Today in Oregon, there are only 22 units of affordable housing available for every 100 low-income renters looking for housing. And more than 21,000 students experienced homelessness last year. Affordable housing is disproportionately difficult to find and maintain for minority communities, single women with children, seniors, and people with disabilities. This crisis is present in both urban and rural communities. We have reached a tipping point in this state, and the market is upside down.

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.

Despite the critical importance of stable housing, under Oregon law, most renters can be evicted with only 30-60 days' notice, even if they have paid their rent on time and complied with all the rules. This is contrary to any notion of fairness or justice.

Two other states (New Jersey and New Hampshire) and approximately 18 local jurisdictions provide better protections for renters than Oregon does against no-cause eviction.

HB 2004A would heighten the standard of practice in Oregon and ensure fairness for good tenants by requiring that a legitimate cause be identified before a tenant may deprived of housing. As explained in my attached section-by-section summary of the bill, after the first six months of a month-to-month tenancy, HB 2004A would delete the "no-cause" termination standard allowed under current law, and replace it with legitimate "landlord-choice" causes. In these cases, landlords would be able to terminate a tenancy even if the tenant was not at fault, because of the landlord's legitimate business or personal use:

- Landlord or family member wants to move into the unit;
- Landlord sells the unit to someone who wants to move in;
- Landlord wants to demolish the unit or change the use of the unit (for example, develop it into storefront);
- Landlord wants to renovate or repair the property, requiring vacancy.

In these circumstances, moving expenses in the amount of one month's rent and 90 days' notice would be provided, to ensure that the landlord's business or personal decision was less likely to render the good tenant homeless. Landlords with four or fewer units would be exempt from the relocation assistance requirement.

The just-cause notice standard provided by HB 2004A is a better public policy than the current no-cause standard:

- **For-cause notices are fair to tenants.** They allow a tenant to know and understand any allegations, and have a chance to correct or defend them. Without that chance, landlords have absolute power to remove a tenant from their home at short notice, with no opportunity to present their side of the story. Eviction in this market created a very real risk of homelessness. Where else in Oregon's laws do we allow people to be so significantly harmed without knowing the charges against them?
- **For-cause notice requirements cut down on discrimination and retaliation.** Under current law, and in this current market, there is little protection for a tenant if a bad actor landlord uses a no-cause termination and the threat of eviction as a way to perpetrate retaliation or discrimination. Under current law, a tenant who gets a notice of eviction after seeking a repair, or disclosing that they are a member of a protected class, may never get justice. A landlord can simply say she or he did not have a reason for termination, and the burden then rests on a tenant to show the absence of a negative.

Under HB 2004A, landlords will still be able to manage their properties effectively. The bill will not alter in any way the Landlord's ability to evict bad tenants for cause. There is a long list, in ORS 90.392, of ways for Landlords to evict Tenants for cause. For-cause notices are a more efficient and quicker way to remove a bad tenant than no-cause notices.

- **All of the current for-cause termination notices have expedited notice periods** – for example: 24 hours for outrageous conduct; 72 hours for non-payment of rent; 10 days for an unauthorized pet. Any material violation of a tenant's rental agreement, or of the tenant's duties to care for the property and not disturb neighbors, can result in a 14 day notice to correct the violation, move-out within 30 days.
- If a tenant is truly acting badly, or even just disturbing the neighbors, it is more responsible for a landlord to use a for-cause eviction and resolve the problem quickly than it is to let the tenant continue to act badly for 30-90 days as required with a no-cause notices.

- **A for-cause notice is no more expensive for landlords than a no-cause notice**. It costs nothing to issue a notice. Any landlord can do it, and there are no special forms required. The expense to a landlord comes from a court case, if there is one, and not from the notice. There is only a court case if the tenant refuses to move out in compliance with the notice. Only then does the landlord go to court, if s/he chooses. But is in a tenant's best interest to move out prior to the filing of an eviction case, so as to avoid the court record. Even if there is a court filing, it is rare that the filing is contested - the vast majority of court cases go by default.
- **An eviction court case, if one is necessary, is one of the quickest and cheapest court proceedings there is.** This is not an unreasonable cost to ensure fairness for all sides in a process that has an impact on one of the most critical aspects of anyone's life: their home. Without fairness, the cost that our communities bear is that 40% of Oregon households can have the rug pulled out from under them for no reason and with little notice.

In today's market, it is often impossible to find a new home after receiving an eviction notice. Eviction has lasting impact on families and is a cause of poverty, homelessness, and school and job instability. 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. [1] Renting families should not have to worry about suddenly losing their homes and stability due to an eviction without cause. Oregonians deserve better.

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

[1] http://scholar.harvard.edu/files/mdesmond/files/desmondkimbro.evictions.fallout.sf2015_2.pdf?m=1433277873