

**Testimony in Support of Senate Bill 608
Before the House Committee on Human Services and Housing**

February 18^h, 2019

Chair Keny-Guyer, Vice-Chairs Sanchez and Noble, and members of the Committee,

On behalf of the Oregon Law Center (OLC), thank you for the opportunity to submit testimony in support of Senate Bill 608, which would establish fundamental fairness protections for the four in ten Oregon households who rent their homes.

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. Helping families maintain safe, stable housing is a critical part of our work. Without stable housing, it is difficult or impossible to hold down a job, keep children in school, access neighborhood amenities, and stay healthy. As vacancy rates have plummeted and housing has become less and less affordable across the state, our clients have increasingly struggled to maintain stability for themselves and their children.

In almost every community across the state, Oregonians are rent-burdened and vacancy rates are extremely low. We know that this is not just an urban problem - rural Oregonians are particularly impacted.¹ More than 21,000 students experienced homelessness last year, with some of the highest rates coming from rural districts. Affordable housing is disproportionately difficult to find and maintain for communities of color, single women with children, seniors, and people with disabilities. Nationally, African-American households face the highest rates of eviction, even when controlling for education and income. Households with children are twice as likely to face an eviction threat.²

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 hear stories of middle income, working Oregonians living in their cars, seeking services from shelters, or desperately afraid of an eviction or an extreme rent spike. The risk of homelessness for all of these families has untold negative consequences for the health, education, safety, and stability of all of our communities.

We appreciate that this legislature is poised to consider a variety of ways to help ensure access to stable, safe, affordable, and secure housing for all of our communities. This session, we hope to encourage the construction and preservation of more affordable housing stock, greater access to supportive housing, and greater support for specialized and general emergency shelter and housing assistance. However, these solutions do not address the crisis immediately threatening the approximately 40% of Oregon households who are renters.

Despite the critical importance of stable housing, under current Oregon law, most renters can be evicted with only 30-60 days' notice at any time, even if they have paid their rent on time and complied with all the rules. And under current law, a landlord can increase rent at any time after the first year of tenancy, as many times and by any amount, with only 90 days' notice. These laws are contrary to any notion of fairness or justice, lead to fear and displacement, and are bad public policy.

¹ <https://oregoneconomicanalysis.com/2018/03/07/update-on-rural-housing-affordability/>

² <https://www.apartmentlist.com/rentonomics/rental-insecurity-the-threat-of-evictions-to-americas-renters/>

Many jurisdictions before us have taken steps to address and correct the unfairness and displacement that can result from allowing arbitrary evictions and extreme rent spikes. Two other states (New Jersey and New Hampshire) have a statewide just-cause standard, and a growing number of local jurisdictions across the country have some combination of rent stabilization and just cause standards. The National Law Center on Homelessness and recently released a report reviewing research on evictions. They link evictions and rent spikes to growing numbers of people sleeping in shelters and outside, and call for tenant protections as a solution.³ It's time we act to provide reasonable standards that will stabilize our communities.

Senate Bill 608 would address inequities and unfairness in our system by requiring that a legitimate cause be identified before a tenant of more than a year may be deprived of housing, and by setting reasonable rent increase parameters designed to prevent extreme rent spikes within a tenancy. The bill would provide Oregonians who rent their homes, and our communities, with greater stability. A section-by-section summary of the bill is attached to this testimony.

The just-cause notice standard protects due process for people who rent their homes:

- **No-cause notices provide a landlord with near absolute and often un-checked authority to inflict extreme harm.** The impacts of eviction are severe and long-lasting. Evictions are a leading cause of homelessness, and research has tied eviction to poor health outcomes in both adults and children. Our laws ought not to allow this consequence to be inflicted without cause.
- **For-cause notices are fair to tenants.** For cause notices allow a tenant to know and understand why they are losing their home. If the reason is fault-based, tenants have a chance to correct the error or defend the allegation. If the reason is a legitimate landlord-reason, then tenants can at least know the reason they are being asked to leave, and have adequate notice and assistance to prepare for the move. Because notices must be fact-based, there is less room for implicit or explicit bias to play out in ways that disproportionately impact protected classes.
- **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 abuse, 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.

Statewide rent stabilization will reduce sudden economic evictions and displacement:

Across the state, we hear stories of 20%, 30%, 100% rent increases. To a senior on a fixed income, or a working parent struggling to put food on the table for their children, such an increase is the functional equivalent of an eviction. Limiting the amount of increase that can be imposed on a tenant during a year provides needed stability and predictability for our communities.

The bill contains many provisions that make it reasonable for landlords:

Rents may be increased up to 7% plus the CPI, providing ample leeway for landlords to reasonably recoup maintenance and operating costs without suddenly displacing tenants. Exemptions for new construction ensure that new development can continue apace. And in most circumstances, rents can be re-set to market in between tenancies.

The just-cause standard does not kick in until after the first year of occupancy. Landlords with four or fewer units would be exempt from the relocation assistance requirement. At all times during any tenancy, the bill preserves a landlord's right to use a for-cause termination notice for circumstances in which the tenant has violated the rental agreement. And the smallest landlords, who live on a property with two or fewer rental units, could continue to use no-cause notices.

³ <https://www.nlchp.org/ProtectTenants2018>

In today's market, it is often impossible to find a new home after receiving an eviction notice or extreme rent increase. Eviction and sudden displacement wreak lasting impact on families and communities. A recent Harvard study found that the sudden loss of a home due to eviction or rent increase is not only a risk associated with poverty, but is a **cause** of poverty.⁴ Families who rent their homes, whether white, brown, or black, should not have to live with the constant threat of displacement due to no fault of their own. Oregonians deserve better.

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

Sincerely,

Sybil Hebb

⁴http://scholar.harvard.edu/files/mdesmond/files/desmondkimbrow.evictions.fallout.sf2015_2.pdf?m=1433277873