

## HB 3113 A STAFF MEASURE SUMMARY

### Senate Committee On Housing and Development

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**Prepared By:** Devin Edwards, LPRO Analyst

**Meeting Dates:** 5/6, 5/18

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#### **WHAT THE MEASURE DOES:**

Clarifies that dwelling units regulated as affordable housing by federal, state, or local government are not subject to state rent increase limitations if tenant share of rent does not increase, or rent increase is required by program eligibility conditions or change in tenant income.

#### **ISSUES DISCUSSED:**

- Provisions of measure

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

Regulated affordable housing provides both income restrictions on eligible tenants, as well as restrictions on the rate at which rent can be increased. Affordable housing constructed using federal and state financing is subject to a regulatory agreement which guarantees that the units built will remain affordable for a minimum of 30 years.

In 2019, Senate Bill 608 established limits on rent increases to no more than seven percent plus the average change in the consumer price index, no more than once in any 12-month period, unless: the premises are considered new construction; the landlord is resetting rent for a new tenant after a compliant tenant vacated voluntarily; or the rent is subsidized by a federal, state, or local government program.

The variance in how state and federal increases are calculated has presented a gap in some of the rent increase protections intended by SB 608 (2019). For example, federal rules on rent increases are tied to area median income in a given county, meaning that tenants in an affordable housing development subject to federal rules could experience greater rent increases due to a significant increase in a county's overall area median income over time.

House Bill 3113 A clarifies that dwelling units regulated as affordable housing by federal, state, or local government are not subject to state rent increase limitations if tenant share of rent does not increase, or the rent increase is required by program eligibility conditions or a change in tenant income.