



Sybil Hebb
503.936.8959
shebb@oregonlawcenter.org

522 SW Fifth Avenue, Suite 812
Portland, OR 97204

To: Senate Committee on Housing and Development
From: Sybil Hebb, Oregon Law Center
Date: May 6th, 2021
Re: HB 3113A

Chair Jama, Vice-Chair Linthicum, and members of the committee:

On behalf of the Oregon Law Center, I submit this testimony in support of HB 3113A, which would close a loophole in important protections against extreme rent spikes for low-income Oregonians living in affordable housing.

The Oregon Law Center (OLC) is a state-wide non-profit law firm whose 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. In communities across the state, housing is increasingly unaffordable, and the risk of homelessness is on the rise. Addressing these issues is a top priority for the Oregon Law Center and we are grateful for the work of this legislature in finding solutions.

HB 3113A would address a gap in protection that has been identified since the passage in 2019 of Senate Bill 608's prohibition on extreme rent spikes. SB 608 provided protection against no cause evictions after the first year of occupancy, and limited rent increases to no more than seven percent plus the consumer price index (CPI) percentage on an annual basis. New construction is exempted from the rent regulations for the first 15 years, and regulated affordable housing is also exempt.

Generally, regulated affordable housing is subject to state or federal limitations on the amount and frequency of rent increases, as well as on the incomes of people who can live in the housing. These forms of housing are usually built or maintained with government funds, tax breaks, or other incentives in exchange for affordability regulations. Usually, these regulations are more stringent than the limitations provided by SB 608. This is why they were exempted from SB 608.

However, since passage of the bill, it has become clear that there is a small gap that has left some extremely vulnerable low-income Oregonians at significant risk. Some forms of regulated affordable housing tie rent increases to increases in Area Median Income. In situations where AMI increases significantly, as in many gentrifying neighborhoods, this can lead to extreme rent spikes. These were the very spikes that SB 608 was designed to prevent.

Passage of HB 3113A will close that gap, to ensure that vulnerable Oregonians are protected from extreme and sudden rent spikes that could cause imminent displacement and the risk of homelessness.

This concern came to light in December of 2019, when an [article](#) was published about an elderly renter on a fixed-income who was living in regulated affordable housing. This retired teacher was paying 70% of her income on a small apartment. Despite the fact that she was living in regulated affordable housing, she received a double-digit rent increase, due to significant increases to the county area median income over time.

SB 608 was designed to prevent extreme and destabilizing rent increases such as the ones received by the residents of this building. An extreme and sudden rent increase can function as the equivalent of an eviction notice, and for vulnerable and low-income tenants, the risk of homelessness as a result is real.

HB 3113A would close the loophole in protection for residents of affordable housing who are not otherwise covered by rent increase regulations. Passage of the bill will ensure these tenants will have at least the same protections as Oregonians living in private market rental housing. The bill was crafted with the input of affordable housing providers, to ensure that it is narrowly tailored only to apply where necessary. The bill continues to exempt regulated housing providers that are in fact more protectively regulated by local, state, or federal requirements. The bill will continue to exempt:

- Affordable housing where resident rents are required to increase in response to a change in their income within program eligibility guidelines. For example, federal regulations require that a resident of public housing's rent is a portion of the resident's income. Therefore, rent would increase as result of an increase in the resident's income. This scenario would continue to be exempt from SB 608.
- Rent increases in regulated affordable housing when the increase does not impact the tenant's portion of the rent. In some cases, regulated affordable housing providers such as a housing authority may be able to increase the contract rents on property as a way to bring more federal dollars to the building without impacting the tenant's portion of the rent.

In closing, HB 3113A is a well-crafted solution to close the gap in protection for vulnerable low-income Oregonians whose regulated affordable housing providers are not otherwise covered by restrictions against extreme rent spikes. We urge support of HB 3113A.