

DATE: March 27, 2023

TO: Senate Committee on Housing and Development

FROM: Sammi Teo, Public Policy Advocate

RE: Support for SB 611, Reasonable Rent Limit

Chair Jama, Vice-Chair Anderson, and members of the committee,

Oregon Food Bank's mission is "to eliminate hunger and its root causes... because no one should be hungry." We pursue this goal in two key ways: we foster community connections to help people access nutritious food today, and we advocate to change policies that drive hunger and poverty. Oregon's legislature is in a strong position to take bold action so we can emerge stronger. This is our moment to embrace our shared values, care for each other, and take bold action in support of all Oregonians.

## Food security and stable housing go hand-in-hand.

Over the course of many years working in communities that disproportionately face food insecurity, we have heard loud and clear that the lack of affordable housing in Oregon is a primary reason why more than one in eight kids in Oregon lives in a household that struggles to afford food. In fact, a recent report from Oregon State University found that Oregonians who are renters are six times more likely to experience hunger than Oregonians who are homeowners.

Everyone deserves a safe, stable place to call home. The well-being of our communities depends on whether this basic need is met. In Oregon, more than 50% of renters do not have enough money left over after rent to pay for food, medicine, and other basic necessities. That means too many Oregon families are living on the edge and are one missed paycheck, high health care or car repair bill, or other setback away from losing their housing. Too many Oregonians are forced to choose between feeding their families or losing everything to eviction. It's time to do better.

## Without SB 611 to stop extreme rent increases, we will continue to see people displaced onto the streets more quickly than we can rehouse people.

Oregon's housing crisis is largely attributable to the prohibitively expensive rental market. In Oregon, 2023 rent increases for properties 15 or more years old can be as high as 14.6%. This increase far outpaces wage and Social Security increases. There are no limits at all on rent increases in buildings 15 years or newer. Reports of extreme increases such as 32%, 47%, 50% are becoming more common. These increases are the functional equivalent of an eviction. When people have to vacate due to no fault of their own, Oregon's tight and expensive rental market makes it hard to quickly find a new home.

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That is why we need SB 611. This bill would:

- Limit annual rent increases to 3% + inflation with a maximum increase of 8%.
- Narrow the loophole, applying rent stabilization to buildings older than 3 years, which increases the number of people protected while exempting new construction.
- Increase relocation assistance to three-months' rent to help tenants displaced through no fault of their own to avoid homelessness. Landlords with four units or less are exempt from this provision.

The rent increase reports from across Oregon show the great need for SB 611. Studies show that just a \$100 increase in median rents in a community is tied to a 9% increase in homelessness in that community. At a time when Oregon is experiencing some of the highest rates of homelessness in the nation, we cannot afford to let rent spikes go unchecked. A reasonable rent limit will help prevent high-rent home loss and prevent our state's homeless crisis from getting worse just as we are all pulling together to treat it as the emergency that it is. The legislature did the right thing in passing the first rent limit in 2019, but as we have all learned now, the limit did not account for runaway inflation.

We know these extreme rent increases are not isolated incidents. There are so many that the results are playing out in eviction court and in media headlines. In Oregon, more than 86% of all court evictions are due to a missed rent payment. This is not surprising, as Oregon renters pay the ninth highest rent in the country. This reasonable bill prevents extreme rent increases and displacements, while allowing landlords to take inflation into account.

Oregon's housing emergency goes beyond a lack of supply and the number of people living without homes or shelter. We have a rental emergency as well, with tenants living just one rent increase notice away from displacement and possible homelessness. Without SB 611 to stop runaway and extreme rent increases, we will continue to see people displaced onto the streets more quickly than we can rehouse people. Without passage of SB 611, Oregon's success in addressing the housing crisis is at grave risk.

This is why we urge you to pass SB 611 as soon as possible. Thank you.