

## HB 3113 -2 STAFF MEASURE SUMMARY

### House Committee On Housing

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**Meeting Dates:** 4/1, 4/8

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#### WHAT THE MEASURE DOES:

Removes exemption from rent increase limits for landlords who rent a residential dwelling unit as part of a federal, state, or local program or subsidy.

#### ISSUES DISCUSSED:

- Addressing gaps in state and federal rent increase policies not covered by Senate Bill 608 (2019)
- Negative impacts of significant rent increases based on area median income on low-income and fixed-income tenants who live in regulated affordable housing
- Impact on private market housing voucher holders
- Potential adverse effect of measure in encouraging rent increases

#### EFFECT OF AMENDMENT:

-2 Replaces the measure. Clarifies that a landlord who rents a dwelling unit regulated as affordable housing by a federal, state or local government is exempt from rent increase limits if the change in rent does not increase tenant's portion of the rent, or is required by program eligibility requirements or by a change in tenant's income.

No revenue impact; no fiscal impact

#### 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, or 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 increase 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 removes the rent increase exemption limits for landlords renting a residential dwelling unit as part of a government-subsidized program.