Senate Bill 611 Rent Stabilization and Relocation Assistance

Oregon Law Center 3/27/2023



The purpose of SB 611 is to rein in high-rent homelessness and protect against displacement, while maintaining flexibility and reasonable profit for landlords.

SB 611 will prevent rent spikes that are the functional equivalent of eviction, keeping thousands of Oregonians stably housed.

SB 611 will provide renters whose tenancies are terminated through no faut of their own with a better chance of avoiding homelessness.

Passage of SB 611 will have immediate and statewide impact on housing stability for all Oregon renters.

Oregon Eviction Filings Data

Compiled and Analyzed by Eviction Defense Project Attorneys

Oregon Law Center (OLC) and Legal Aid Services of Oregon (LASO)

7/2021 - 2/2023



Court-Filed Eviction Cases, By Month

Recent eviction filing #s have far surpassed pre-pandemic levels, and the vast majority are due to nonpayment.

Source: Oregon Law Center analysis of Oregon Judicial Department publicly available eviction court data

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• Since expiration of all protections in October, there have been an average of 2,076 eviction filings per month, which is a 33% increase over pre-pandemic levels. On average, more than 86% of these filings have been for nonpayment.

Note that eviction filing numbers are the tip of the iceberg in measuring displacement. <u>Studies</u> indicate that approximately 2-5x the # of people who face formal eviction filings are displaced through informal evictions.

Evictions, displacements, and homelessness are systemic.

State policies can create better systems.

SB 611 will rein in high-rent homelessness.

Rent spikes lead to <u>demonstrably higher</u> rates of eviction. For every \$100 increase in rents in a community, there is a 9% increase in homelessness.

Studies show between 12% and 37% of evictions result in homelessness for that household. Inflation is making this <u>worse</u>.

In Oregon, we have the 9th highest rents in the nation, and this is one <u>cause</u> of the severity of the state's homelessness crisis. Rent spikes lead to greater risks for Black and Brown Oregonians.

Black and Brown Oregonians are at greater risk of home loss and homelessness.

In Oregon, Black women face eviction filings at <u>more than twice</u> the rate of white renters.

Households of color are at <u>greater risk</u> of homelessness after losing their homes.

Benefits of Rent Stabilization

Rent stabilization is <u>an effective tool to increase</u> <u>housing stability and affordability</u> for current tenants.

Rent stabilization protects low-income seniors, people of color, families with children and others with the least choice in the rental market who are the most susceptible to rent gouging.

Rent stabilization is a proven policy that can immediately stabilize prices, halt rent gouging, and reduce the risk of displacement and homelessness, while increasing housing security and affordability over the long term.

	Current Law	SB 611
Stabilization	Rents can be set to market rate	Rents can be set to market rate
Formula		
	For increases, 7 % plus inflation (cpi). There is no upper cap. For 2023, that means landlords can raise the rent 14.6%.	For increases, 3% plus inflation (cpi), or a cap of 8%, whichever is lower. This protects in cases of extreme inflation.
New Construction Exemption	Exempts buildings newer than 15 years.	Exempts buildings newer than 3 years.
	No limits on rent resets between tenants, except in first year of tenancy if no-fault notice is used.	Same as current law, no change.
Relocation Assistance	1 month's rent payment required in certain no-fault terminations. Small landlords exempt.	3 months' rent payment required. Small landlords still exempt.

Examples of Jurisdictions with More Protective Standards

Portland, Maine (2020) 7%, no cpi, no exemption for new contruction.

Prince George's County, MD (2023)

3%, no cpi, 5 year exemption for new contruction.

California State Law (2020)

5% plus cpi, cap of 10%, 15 year exemption for new construction. Pending SB 576 would amend this law to be more protective. SB 611 can rein in high-rent homelessness, while maintaining flexibility and profit for landlords.

SB 611 will prevent rent spikes and protect against displacement, keeping thousands of Oregonians stably housed.

Rent stabilization is the ONLY policy tool that can have immediate impact on unreasonable rent increases in communities across the state.

Passage of SB 611 will have immediate and statewide impact on housing stability for all Oregon renters.