



June 20, 2022

Chair Fahey, Vice-Chairs Breese-Iverson and Kropf, and Members of the Committee,

Thank you for the opportunity to submit testimony in strong support of SB 611B. My name is Kim McCarty and I am the Executive Director of the Community Alliance of Tenants.

We strongly urge you to pass SB 611B as a critical homelessness prevention strategy for seniors, families, individuals and communities across the state suffering from rent spikes.

As the membership-based statewide association of tenants, we educate and empower tenants to demand safe, stable, and affordable rental homes. We believe that housing is the basis of a strong community. This summer we polled tenants in Oregon to learn about the most pressing issue for them as tenants. The top issue in every survey and focus group was the cost of rent and the potential for rent gouging if landlords made 14.6% rent increases. When it became clear that unprecedented inflation had taken hold and rent could increase to 14.6% in older buildings tenants were in shock and panic. Year after year increases up to 10% had been difficult, but everyone knew that a 14.6 % increase would tip households into homelessness.

The fear expressed last summer is coming true. Every day tenants call our hotline to tell us that they are at risk of homelessness because they received an unreasonable rent increase notice. An unreasonable rent increase, is one that knowingly increases rent beyond the implied contract between the owner and tenant when the tenant agreed that they could afford the cost of the unit being offered. Rent increases year after year to the maximum allowed, violate the fair assumption by a tenant that a landlord will only increase rents fairly and reasonably.

Senate Bill 611B provides reasonable and necessary rent stabilization for tenants while protecting landlords' and developers' ability to maintain a reasonable profit. Lawmakers did the right thing passing SB 608 in 2019. But we are now facing extreme inflation and without SB 611B, the 2023 rate increase is an unreasonable 14.6%. Tens of thousands of renters are at risk of displacement due to these extreme rent increases.

Four in 10 Oregonians rent their homes and they pay the ninth highest rent in the nation. Statewide, we have seen stories of massive rent increases in communities large and small, urban and rural, evidencing a rent crisis that must be addressed.

Studies show that just a \$100 increase in median rents in a community is tied to a 9% increase in homelessness in that community. Our current law is allowing extreme rent spikes and the results are playing out in eviction court. Between October and March of this past year, the average was more than 2,000 eviction filings a month, and approximately 86% of all filings were due to unaffordable rent.



community alliance of tenants

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.

SB 611B is a reasonable proposal that will prevent extreme rent increases and displacements while allowing landlords to take inflation into account and preserving the ability to reset rents to market rates in between tenancies. New properties continue to be exempt from the law, therefore there is no impact on new development.

SB 611B is an action that the legislature can take now to have an immediate impact on our state's housing crisis as we also work on the longer-term solutions of increasing supply and providing support to rehouse our currently homeless neighbors.

Please pass SB 611B as soon as possible. Thank you.

Sincerely,

Kim McCarty

Executive Director

Community Alliance of Tenants