



March 27, 2023

Chair Jama, Vice-Chair Anderson, Members of the Committee,

Thank you for the opportunity to submit testimony in strong support of SB 611. My name is Rose Ojeda and I am the Director of CASA of Oregon's Manufactured Housing and Cooperative Development Center.

We strongly urge you to pass SB 611 as a critical homelessness prevention strategy, to protect seniors, families, individuals and communities across the state from extreme rent increases and displacement.

Renters include residents of manufactured housing communities who must lease their lot space. We often hear from these residents who want to explore the possibility of buying their park. Next to the fear of a park closure and displacement, their next major concern is dealing with annual rent increases. We have found that the majority of these residents live on fixed incomes such as senior, veterans and other disabled households, and those incomes have not kept up with inflation. Yet, for 2023, we are allowing rent increase approaching nearing 15%, while social security benefits for 2023 increased by 8.7%.

Four in 10 Oregonians rent their homes and they already pay the ninth highest rent in the nation. The statewide stories of massive rent increases in large and small communities show that we have a rent crisis that must be addressed. Whether these increases are hitting entire buildings or mobile home parks or individuals, each and every one puts people at risk of displacement and homelessness.

SB 611 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.

Here is the problem we are facing. Under current law:

- 2023 rent increases for properties 15 or more years old can be as high as 14.6%. That is too high for anyone to afford, outpacing wages and Social Security.
- 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 affordable home.

SB 611 would:

- Limit rent increases to 3% + inflation with maximum increase of 8% during a calendar year.

- 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 of rent to help tenants displaced through no fault of their own avoid homelessness. Landlords with four units or less are exempt from this provision.
- Set no limits on rent resets between tenants.

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. More than 86% of all eviction filings are due to unaffordable rent. This reasonable proposal prevents 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.

Oregon's housing emergency goes beyond 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.

We urge you to pass SB 611 as soon as possible. Thank you.

Sincerely,

Rose M Ojeda
Director, Manufactured Housing and Cooperative Development Center