

Kotek pushes for statewide cap on rent hikes, end to 'no-cause' evictions



State Rep. Tina Kotek, D-Oregon, is calling for a statewide ban on rent increases "above a reasonable percentage" and an end to no-cause evictions. Both measures, she said, can help alleviate a "statewide crisis" in housing. (Mark J. Terrill/Associated Press) (Mark J. Terrill/Associated Press)

By Dana Tims | The Oregonian/OregonLive
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House Speaker Tina Kotek, signaling fresh urgency for tackling Oregon's housing crisis, said she will push next year to end no-cause evictions, lift the state's ban on rent-control laws and ban all rent increases above a "reasonable" percentage for the foreseeable future.

Kotek laid out those policy goals in an address Monday night to the Oregon Opportunity Network, a supportive advocacy group that lobbies for affordable housing and renter protections.

But Kotek, according to a transcript of her remarks, said she fully expects the proposals will spark controversy.

"Frankly, it means things are going to get uncomfortable," the North Portland Democrat told the gathering of housing advocates. "Discomfort and determination are necessary when dealing with a crisis. We all need to be up to the task."

Kotek's proposals — likely to be fought by homebuilders and developers — follow a series of steps on housing during the 2016 short session and show the issue will remain a top priority during the six-month session that starts next year. Earlier this year, lawmakers restarted the General Assistance Program for renters and lifted the state's ban on inclusionary zoning, which requires affordable housing units to be built along with market-rate housing.

Kotek and House Democrats had considered pushing further, before deciding to wait to try policy ideas such as extending notice periods for no-cause lease terminations.

At the time, Kotek told The Oregonian/OregonLive she was warning lawmakers, "you're coming back in 2017 and we're going to talk about no-cause notices and evictions. We need to level the playing field for tenants."

She then, she said Monday, things have only gotten worse, both in Portland and across the state. Rents have continued to rise, even as builders add thousands of units to address a longstanding shortage of supply. Demand has further been stoked by affluent workers, some arriving from out of state, willing to pay a premium to rent in high-end buildings.

"Whole apartment buildings are seeing rents go up by 20 percent, or 30 percent, or more," she said. "Evictions have skyrocketed as some owners make way for new tenants with bigger salaries, or evict entire buildings with plans to renovate and join the luxury apartment market."

Kotek explicitly called for lifting Oregon's ban on letting local governments pass rent-control ordinances, calling the practice "rent stabilization."

Rent control is a controversial tool that lets local or state governments impose a price ceiling.

"We can no longer avoid this discussion," she added. "We need to prevent property owners from making excessive profit and protect tenants from economic eviction and displacement."

She also promised to fight for a statewide ban on "rent increases above a reasonable percentage until the housing crisis subsides."

"Frankly, it means things are going to get uncomfortable," House Speaker Tina Kotek said.

Kotek's office said the specifics of what constitutes a "reasonable percentage" or how long such a measure might be in effect will continue to be refined between now and the January start of the 2017 legislative session.

Some immediately took issue with Kotek's housing initiatives, arguing such steps would make it more costly for builders to meet the state's housing demand.

"It's almost textbook that any form of rent control ultimately harms consumers, as well as landlords," said Eric Fruits, an economist and editor of Portland State University's Center for Real Estate quarterly reports. "It may benefit some in the short term, but in the longer term, there will be fewer units available to rent, which will only make matters worse."

Instead, Fruits said, the free market should be allowed to work, with higher prices sending signals to developers that more units are needed.

Affordable-housing advocates disagreed, saying a surge in evictions of lower-income people is serious enough to demand a policy solution.

"We are seeing signification numbers of folks having to move farther and farther out from the metro area to find affordable housing," said Rev. Joseph Santos-Lyons, executive director of the Asian Pacific American Network of Oregon. "I talked with one member last night who can't even find a place in Gresham. Places long thought to be affordable for renters and first-time buyers are disappearing."

Santos-Lyons said he'd like to see Kotek's call for a temporary cap on statewide rent increases made permanent.

"The average family could certainly understand that something like a 3 percent increase would be reasonable," he said. "But as it is, what we're seeing is unfettered speculation."

Katrina Holland, interim director of the Community Alliance of Tenants, said her office just learned that one family in Southwest Portland is facing a rent increase of 350 percent.

"This is clearly something that we need to address," she said. "It's time to act."

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