

# \$\$ The Tenant Fund



Building equity for the future of Oregon renters

# Renters and homeowners are major investors in Oregon's Economy - Billions



## Renters represent roughly 37% of Oregon's households.

- **Long term renters** sustain the foundation of the rental market because their steady contributions are maintained over an extended period of time, often for decades.
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- Rent payments support **city budgets, state tax revenues, pension funds** and, **wall street**.
  - Median Rent estimated = **\$1,200 / month**

# Why is a tenant fund necessary?

Key issues: Our ***culture*** of the for ***profit*** housing model

**Structural *Inequities*** leading to mass housing *instability*.

**Renter role as *occupant*** - *lack of housing security*

# Housing: Two Cultural Perspectives

**CANCEL  
RENT**

**HOUSING IS A  
HUMAN RIGHT**

NYC  
DSA





# The Earth is Our Home

- *Land is a sacred part of the earth and belongs to all people- from which we came and will return*
- *A home is a place for people*
- *A safe harbor of protection, to rest and rejuvenate the mind body & spirit*
- *A place to raise a family*
- *To grow and develop as a human being*
- *A place of belonging*

## The financialization of Housing



Leilani Farha from the United Nations, on the Interactive Dialogue at the Human Rights Council has expressed

***“... Housing has been financialized: valued as a commodity rather than a human dwelling, it is now a means to secure and accumulate wealth rather than a place to live in dignity, to raise a family and thrive within a community. Housing has become security for financial instruments – traded and sold on global markets. It has lost its currency as a universal human right...”[1]***



# Housing as PROFIT has replaced the workforce housing model:

*Housing to support and sustain the lives of people*

- Prices are artificially & systematically driven up
- Bidding wars
- Supply and demand culture
- Manipulated through computerized pricing systems
- Wall street



**Cash heavy billionaires are buying up entire neighborhoods of single family homes to be used as rentals** because of their high investment returns and long term profitability potential of inflating the overall housing market.

## Renters are legally defined as *occupants*

- The role of tenants as *occupants* is to maintain a steady cash flow for owners= \$\$\$\$\$
- Occupants have very **limited power/control** over the unit they occupy. They can easily lose the right of possession due to a landlord 's decision to: sell, occupy, renovate, evict or for non-*lease renewal*.

# How to Milk the **CASH COW**

Taking a vacant, city, single family home  
and "utterly" turning it into a  
**MONEY MAKING  
MACHINE.**



RHONDA GRAHAM



# Renters experience a perpetual State of housing insecurity

- Renters have no universal collective credit, for *long-term, on time, stable* rent payments.
- **Occupants who fall behind on rent**, no matter the cause or how long they have faithfully paid their rent on time, become subject for receiving a **72 hr notice** to vacate.



- **Renter households face burdensome ever- rising housing costs each year (\$600, \$,200, \$1,800+ )**
- **Mortgage payments are fixed, provide mortgage interest tax write offs**
- **Overall lack of job stability and stagnant wages - disproportionately impacting BIPOC**  
*Wages lag far behind housing costs.*



**Living Wage Job instability = Housing Instability**

# Oregon's Maximum Annual Rent Increase

Applies to Units 15 Years and Older



*Law goes into effect.  
Historical values shown  
for illustrative purposes.*

**Fixed income populations: seniors and disabled persons struggle** to maintain their housing with extremely low household incomes. They can't keep pace with costs.

- **Low and very low Income renters are at high risk for *multiple displacements, evictions and homelessness***

Many are being priced out of “*affordable housing*” such as *Section 42 buildings*.

**Some are paying up to 80% of their social security and modest Pension incomes for rent.**

Retired Seniors have lamented, “*We are the new homeless*”.





- **Under 55 yr old tenants often risk losing their housing** because *resource application criteria* are often age based, or limited to area of town, income and other discriminating criteria. A tenant fund would help fill this support gap.



Young man on the Right living in a homeless camp yet working. But doesn't earn enough to afford housing.

Man on the left, i was also homeless living in motel with a disabled son.



People with disabilities



Student - couch surfing

- **No economic benefit or rebate for long term renters** contributing to Oregon's economy and the multi-billion dollar real estate industry profits.  
(Mortgage holders can receive interest tax write offs and, reaping home asset price inflation benefits)
- **Permanent Renters both need and desire some form of *equity building capacity*.**
- **Buffers against layoffs, underemployment, serious illness and retirement, least of all- rent inflation insurance protection or eviction risk insurance.**

# How might the Tenant Fund Revenue be generated? (% of total rent revenue)

## 1. Percentage of total oregon rent revenues

$$1.6 \text{ M} \times .37 = \text{Total \# of Renter Households} \times \$1,200/\text{m} \\ = \text{Total Rent Revenue}$$

(# of OR Households) (% of Renter households) (median rent)

$$\text{Total Rent Revenue} \times \% = \$ \text{Tenant Fund Revenue / Year}$$

# Other Ways to Generate Fund \$\$

2. **Donations from RE Industry and other major Oregon Businesses**
3. **Annual fundraising drives**
4. **State/Federal Grants**

# How might the fund be used?



Lets ask tenants

## Possible Uses:

- Emergency rent payments due to job loss, illness, family emergencies
- Cover major expenses- transportation, childcare, medical, technology/computer
- Annual rebates
- Support a tenant-led Rent Board, Tenant Registry,
- Seed \$ for a profit generating business that supports the fund

# Who is it for?

Mainly **long-term renters** who have invested in Oregon's economy over a significant period of time (?) TBD and now want to see a portion of the profits from their rents work back to them as an *investment pool*.

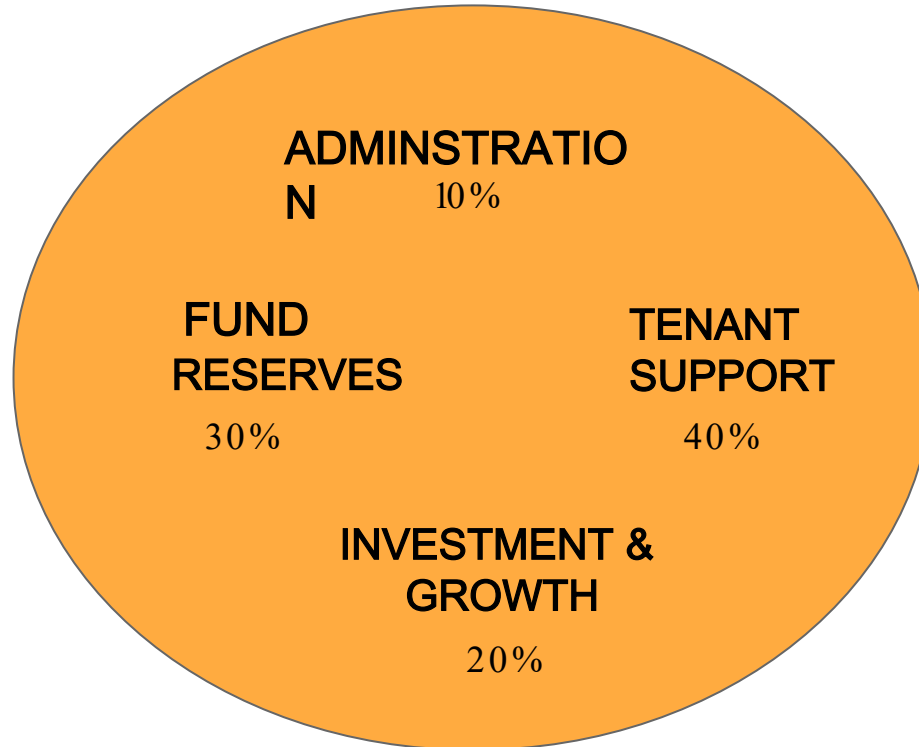
**Renters investing in their collective future.**



**How might it work?**

**Example: Annual Oregon Rent Revenues = \$ 700 M**

**\$ 700 M / yr X 5% = \$ 35 M Tenant Fund**



# Who will decide?



Renters must be a major presence and actively participating in the entire **decision making process**----**Not just city and state officials.**

# summary

- **Cultural shift** toward *housing for people* Vs profits
- Long-term renters be recognized as **investors** in Oregon's economy Vs mere occupants

## **Tenant Fund:**

- Help renters build collective financial equity
- Provide support during financial crisis / essential needs
- Empowering renters be front and center in the decision making process.