

ALASKA STATE LEGISLATURE

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ETHICS (ALTERNATE)
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REPRESENTATIVE ANDY JOSEPHSON

HB 262: Residential Rent Increase Notice Sponsor Statement

A 2020 report by the U.S. Government Accountability Office found that every \$100 increase in median rent is associated with a 9% increase in the estimated homelessness rate. Communities across Alaska are struggling with an unprecedented increase in homelessness, a crisis that has its roots in multiple causes. HB 262 seeks to address one of the causes: the rapid rise in rental rates that has many people one paycheck away from losing their housing.

According to data from the Institute for Community Alliances, 61% of unhoused people are not chronically homeless. Instead, they are unable to bridge the gap between increasing rent and stagnant wages. The Department of Labor and Workforce Development's March 2023 rental survey of two-bedroom apartments showed an average 7% increase in rent from 2022, with Sitka showing the lowest increase at 3% and Ketchikan with the highest increase at 16%. Meanwhile, the National Alliance to End Homelessness has found that from 2020 to 2022, homelessness increased among Alaskan families by 11%, increased among Alaskan individuals by 22%, and increased among Alaskan veterans by 43%.

Alaska does not currently have a specific notice of rent increase statute. Instead, a 30-day notice of end-of-tenancy is required from the landlord to the tenant. A month-to-month tenancy is essentially a 30-day contract. The 30-day notice to end the tenancy implies a 30-day notice to raise rent. When the contract ends, after a 30-day notice, the landlord is free to raise the rent. Since there is a clear connection between raising rent and an increase in homelessness, HB 262 adds a cushion of time for the tenant to either raise additional funds for the increase or find other more affordable housing that fits within their budget.

The benefit to landlords is that the 90-day notice of rent increase is only applicable when the tenant's rent is current.

Please join me in supporting HB 262 to give vulnerable Alaskans extra time to secure affordable housing.

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June-December: 1500 W Benson Blvd, Room 312, Anchorage, Alaska 99503 • (907) 269-0265

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