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July 3, 2013

## SUPPORT HB 2639B Section 8 "Housing Choice" Voucher Program

HB 2639B is a negotiated compromise that is the product of regular meetings with stakeholders, beginning in September of 2012.

- Stakeholders include: Landlords and representatives of the state's three landlord associations; Tenant representatives; Housing authorities and their representatives; the Housing Alliance, representing broad community interests; Oregon Dept. of Housing and Community Services.
- All of the stakeholders either support the bill (housing authorities, the Housing Alliance, and tenant representatives) or are neutral on the bill (landlord representatives).

**Background:** The Section 8 Housing Choice Voucher program is a federally funded program administered by housing authorities statewide. It is the largest program in Oregon to assist low-income tenants by making rents affordable. Vouchers are intended to help low-income people find housing in the private market that will maximize their opportunities for success. Currently, the program is not achieving its goals: too many tenants struggle to find places where their vouchers will be accepted, housing authorities face burdensome federal administrative requirements and shrinking federal budgets, and fear of administrative issues causes landlord reluctance to participate. As a result, families have fewer choices and face barriers to success. When vouchers are not accepted, the important public purpose of the housing assistance program is undermined, and the stability of low-income families is threatened.

### HB 2639B Provides a Balanced Approach to Meet the Needs of All Stakeholders:

- **Source of Income Protection:** Provides that a landlord may not refuse to rent to a person simply because their source of income is a Section 8 voucher or other housing assistance.
  - A landlord may screen and deny a tenant with a voucher for the same criteria the landlord uses to screen all other tenants: inability to pay, credit history, past conduct, and any other criteria allowed by law.
- **Housing Choice Landlord Guarantee Program:** Improves upon a revolving fund managed by OHCS to provide financial assistance to participating landlords to mitigate unreimbursed damages caused by tenants. The program will start up with \$475,000 of existing funds, plus an additional \$20,000 general fund allocation.
  - Landlord may seek reimbursement for damages, if any, caused by a section 8 tenant, up to a \$5,000 cap. Landlords in the private market do not have access to such insurance.
  - The tenant must pay OHCS back. Landlords and housing authorities have access to information about tenants with outstanding debt to the fund, and this information can be used to screen future applicants.
- **State and Federal Strategies:**
  - Consistent with federal law, housing authorities will facilitate participation thru timely inspections, prompt processing of applications and payments, and allowing leases that match local practice.
  - OHCS to convene advisory committee of stakeholders to consider ways to maximize participation by landlords and tenants and develop strategies to gauge the program's effectiveness.
  - OHCS and the State Housing Council will cooperate with housing authorities to obtain approval of a HUD waiver to increase flexibility and streamline processes.