



NeighborImpact

Supporting People, Strengthening Communities.

TESTIMONY

Before the Oregon House Interim Committee on Housing

May 22, 2020

Extended remarks of Scott Cooper, Chair of the Community Action Partnership of Oregon;
Executive Director, NeighborImpact, Redmond, Oregon

Chair Fahey, Vice Chairs Meek and Zika, Representatives:

My name is Scott Cooper. I am the Executive Director of NeighborImpact, a community action agency serving Crook, Deschutes and Jefferson Counties and the Confederated Tribes of Warm Springs. We are headquartered in Redmond, Oregon, the home district of Rep. Zika, who ably represents us.

NeighborImpact is one of 17 similar organizations covering the entire geography of Oregon and administering federal and state programs that provide basic support to economically struggling individuals. Collectively, the 17 agencies plus the Oregon Human Development Corporation—an organization with a statutory charter to provide services to the migrant farmworker community statewide—make up the Community Action Partnership of Oregon, another statutorily recognized organization which is the “delivery system for federal antipoverty programs in our state.” (ORS 458.505)

My portion of this presentation focuses on rental assistance.

My agency administers three major federal programs and nine state programs dedicated to rental assistance and homeless prevention. While my assignment is to talk about rental assistance and not homeless response, I want to be clear up front that it is difficult to make that sharp delineation: No state or federal program that we operate is designed simply to

2303 SW First Street Redmond, OR 97756 • tel 541.548.2380 • fax 541.548.6013 • www.neighborimpact.org.

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relieve rent burden. Thus, the first operating principle of rental assistance is, **Rental assistance programs are universally administered to prevent homelessness.** It is often difficult if not impossible to draw a bright line between where homelessness ends and rent assistance begins and the programs often design both the housed and unhoused populations.

Rental assistance funding is very limited. The legislature appropriated \$45 million to the Emergency Housing Account for the current biennium, which was a substantial investment over the prior biennium. It was greatly appreciated, but in truth, the entire allocation was spoken for in my region based on the wait list alone before one dollar was every received. Recent analyses by my colleagues around COVID response indicate that the situation has only grown much, much worse as we approach the end of year one of the biennium. Lane County estimates that it needs to serve up to 20,000 households, but the community action agency anticipates being able to help 400 with its share of the \$8.5 million recently released by the E-Board. Clackamas County reports that it needs an estimated \$20 million. Its allocation from E-Board was \$1.5 million. U.S. Census figures say there are around half a million renters in Oregon, and recent media reports say that 1/3 of renters and homeowners nationwide say they will have trouble making their rental or mortgage payments in June. Extrapolate those numbers statewide, and 165,000 Oregon renters may need some level of assistance.

Because we have such a limited supply of help available, we want to be very careful to optimize its expenditure so that we can spread it as widely as possible. To ensure fairness in the way we distribute money, we use a combination of assessment instruments, a first-come, first-served approach, waiting lists and referrals from state partners. As much as possible we implement objective criteria and ranking systems that prevent us from being swayed by the pathos of any individual situation. We also record all clients who fill out an application for assistance or who complete an assessment instrument into a common database, which gives us a good overview of demand and services provided. Regions across the state use different instruments to prioritize and different data systems, but we are all using some sort of prioritization and tracking software.

A second foundational principle that guides distribution of rental assistance for all of us engaged in this work that **it is always administered with the intent of linking help to a plan to move those assisted toward greater stability.** Staff directly involved in rental assistance always begin by listening with empathy to individual situations but except in the case of permanent supportive housing—of which there is not a lot—eventually, the question boils down to, “What are you going to do next month?”

The “next month” question is vexing for many would-be clients. For some, their situation is so overwhelming that they can barely think about tomorrow, much less next month, but we

have to get them started. Common questions we ask are, “What are you doing about employment?” “Can you find a smaller, more affordable place?” “Do you have family or another support network that can help you?” Those answers are not always easy. For clients facing job loss, medical expenses, a change in family structure or the need to flee from domestic violence, there may be no clear and immediate answer. Because each client presents with a unique situation, we highly value the ability to use the scarce dollars we have to flexibly respond to a variety of situations.

We use funds pay rent, to catch up arrears, to pay deposits and to pay moving costs. Very occasionally, we buy a bus fare or a tank of gas to move someone within state or across state lines to a place where they have roots and connections and a support network. We will work with clients to refer them to our utility assistance programs when possible. The state Emergency Housing Account and State Housing Assistance Program are our most flexible sources of state funding. We support rental assistance with the Elderly Rental Assistance grant (ERA) and the federal Emergency Solutions Grant and Community Services Block Grant. Rent assistance for some homeless clients is provided through the state Housing Stabilization Program and the federal Emergency Solutions Grant, and we receive some private grants for rental assistance.

An important element of rental support is the contract with the landlords. Speaking from my own agency’s experience, landlords are remarkably generous. Many are compassionate and willing to go out of their way to work to accommodate families in need. Very occasionally, we’ve encountered landlords who will add fees to rents, charge excessive damage deposits or penalty fees or fail to refund deposits and excess rent at end of tenancy. To protect clients, we find it prudent to enter into an agreement with each landlord we pay. The importance of the landlord relationship is something I can’t overemphasize. We cannot do this work without landlord participation, and as client acuity grows, investments in the landlord relationship are increasingly important.

A couple of programs that have been in vogue lately to increase landlord engagement have been Ready to Rent and Landlord Guarantee. Our experience with these programs has been mixed. My agency does offer a Ready to Rent program which provides renter-101 training to clients who have damaged their rental history through mistreatment of property, failure to pay utilities or prior eviction. Generally, we do not find that landlords are much convinced that a certificate from an education program makes a client with a bad rental history any more desirable as a tenant. We have had more success in putting clients through a full series of financial capability trainings, which have given clients the full set of tools to manage the entirety of their financial picture and raise their credit score along the way. Some agencies have met with success with Landlord Guarantee program, where landlords are offered funding to repair any damage in excess of the security deposit. Such programs are intended to give landlords the peace of mind needed to enter into contracts

with riskier clients. Unfortunately, the only pilot program to date that tested this was for \$125,000, so the concept requires further evaluation.

So who can get rental assistance from our programs? Generally, access to our programs is restricted to families and individuals making 80 percent of Area Median Income or less. How much is that? It depends on where one lives and how many people live in one's household. In my region, 80% of AMI is \$49,100 in Crook or Jefferson Counties but \$61,300 in Deschutes County. Unfortunately, while income limits vary among the three counties, rents do not and that pattern repeats itself across the state.¹

Recently, the E-board allocated 8.5 million in funding for COVID Rent Relief. This funding was limited to COVID-affected families and individuals earning 50% of AMI or less. In the Metro area, that means only a family of four earning less than \$46,050 in a year can qualify. A household of four with two wage earners working full time year round at minimum wage **would not** qualify for assistance. In Harney County, the 50% threshold is \$30,700. A household of four with two wage earners working full time year round at minimum wage **would** qualify for assistance. Equity isn't always about demography; it's also about geography.

Agencies generally deal with three types of assistance: Short-term, offered for 1-3 months; Medium Term, offered up to 24 months and Permanent Supportive Housing.

The support offered to a family or individual in terms of case management depends on which of these types of assistance they receive. Short-term individuals and families need only complete a housing plan, identifying how they will get back to stability with a one-time payment. This is useful for someone who has had a medical hiccup or has had to pay a large, one-time transportation repair bill. Families and individuals receiving Medium Term assistance need deeper support; therefore, each of these recipients is assigned a caseworker who regularly checks in with questions such as, "Are you seeking employment? Are your kids in school? Are you maintaining the property? Are you in compliance with the lease? Are you practicing being "good neighbor?" If we are going to invest in someone's tenancy for 4, 6, 12 or 24 months, we want to be sure that the investment is protected and the client uses the experience to gain stability. Another piece of case management involved intervening with landlords on behalf of higher-acuity clients if relationships begin to deteriorate for any reason. We also can make referral as necessary to Legal Aid and other resources as necessary and warranted by circumstance.

¹ Eighty percent AMI for a family of four living in Metro is \$73,680.

At least in my region, the percentage of clients who successfully exit program and never return for help again historically has been high. It is rare for a short-term client to return, and about half of our Medium Term households exit program permanently. The rate of permanent exit from Medium Term used to be closer to 75 percent, but HUD rules and Continuum of Care priorities have been pushing us toward enrolling more higher acuity clients—those for whom Permanent Supportive Housing would probably be a better solution. Because there is a lack of Permanent Supportive Housing, nationwide and statewide, clients are being pushed to rental assistance and rapid rehousing programs as the next best alternative. It is certainly not the best choice, but it is often the only available option—analogueous to using a Band-Aid when a tourniquet might be more appropriate.

The most important and most desirable form of rental assistance statewide is the federal Housing Choice Voucher program, formerly known as Section 8, and its close cousin, the federal VASH Voucher program, which is specific to Veterans. These programs are generally run through housing authorities, so I am not the expert on how they operate. Community action agencies do cross-coordinate with housing authorities to make placements of clients using vouchers.

It is important that the committee understand that voucher-based programs are not identical across the state. Some regions prioritize the population based on homelessness and other criteria around need; others use a lottery-based approach. The likelihood of an individual who meets a certain set of economic characteristics getting into permanent voucher-based housing will depend upon where that individual lives. That is yet another reason that rental assistance has to be flexible and cannot be one-size-fits-all. It is also a reason that rates of permanent exit from need for housing will vary region by region, as the the most needy residents seeking to access the limited supply of voucher-based housing will face differing levels of competition for those resources, depending on local policies and approaches to voucher allocation.

An important component of our work is equity and partnership. We are sensitive to the fact that disadvantaged populations have often been overlooked in the delivery of housing services. At my agency, we deal with this by closely comparing our demographic and geographic data to the data available us through the Census, American Community Survey, and other sources. While targeting equity through analysis is never perfect, it does provide a rough check on our equity efforts and allow us to make adjustments to program design and outreach as needed to change trend lines. We also work closely with cultural and specialty groups in our region—in Central Oregon that means groups representing tribes, the Latino community, veterans, victims of domestic violence and runaway and homeless youth—to provide outreach and services. Lately, we have been exploring the intersection between housing need and our growing Black and Asian communities. We have explored the idea of subcontracting to culturally specific groups but generally have found that the

administrative complexity of program compliance exceeds the resources of those groups, and they prefer that we handle the complexities of grant and data management while they focus on the relationship pieces that they do best.

Generally, in my region and elsewhere the cost of administration of rental assistance programs is around 7 percent. Ninety-three cents of every dollar goes directly into client support in the form of rent paid and other client support. Historically, these are highly cost effective. Despite the program's efficiency, the recently allocated COVID19 Rent Relief funds came with no administration allowed. We are tapping other federal resources to cover those costs.

The topic of housing assistance is multi-faceted and rooted in social, political, economic, racial and geographic dynamics. If you have read one book or one paper about housing policy, you have read one book or paper. Those of us in the field with decades of experience are still learning the nuances of how to build an equitable framework of supply and policy and support that meets all needs. To work in the housing arena, is to be humbled daily by what we don't and can't know. Collectively, our knowledge is greater than individually, and I always grateful for opportunities to meet in forums like this to try to determine a better way forward in navigating a topic that ultimately affects every Oregonian. Thank you for your time.

Respectfully submitted,



Scott Cooper
President, Community Action Partnership of Oregon
Executive Director, NeighborImpact

