



# HOUSING ALLIANCE

June 5, 2020

Chair Fagan  
Senate Committee on Housing  
Oregon Legislature  
900 Court Street NE  
Salem, OR 97301

Dear Chair Fagan, Vice-Chair Heard, and Members of the Committee:

I am writing to you on behalf of the Oregon Housing Alliance to request that you take further action to prevent housing instability and protect people who rent their homes across Oregon. Today, COVID-19 continues to negatively impact our communities, particularly for people with low incomes who may have lost work or income due to the virus.

Today, through this letter and testimony, we will outline several needs of communities across our state for people who are experiencing homelessness, people who rent their homes, and people who own their homes. During our testimony via video, we will focus our remarks on people who are renting their homes.

The Oregon Housing Alliance is a coalition of ninety organizations from all parts of the state, including non-profit housing developers, residents of affordable housing, local jurisdictions, and organizations working to meet basic needs in every corner of our state. We believe that all Oregonians need a safe, stable, and affordable place to call home.

Housing stability is so critical during this pandemic. The eviction moratorium issued by the Governor, Executive Order 20-13<sup>1</sup>, has stopped immediate evictions for people who rent their homes. In addition, a federal foreclosure moratorium<sup>2</sup> is providing protection to some (approximately 70%) Oregonians who may be unable to pay their mortgage during this time. These early actions were key to helping keep Oregonians in their homes, and they must be continued.

## **Legislative Action is Needed**

First, we'd like to address the need for the Legislature to take urgent action. At this time, even as some communities across our state re-open, many people have not returned to work and we do not know when it will be possible or safe to return to work, nor do we know how many jobs will be permanently lost due to the virus. We are asking the Legislature to:

- Create a statutory eviction moratorium until October 1 that prevents people from being given a notice of eviction for non-payment of rent or without cause (inclusive of all causes in ORS 90.427). This moratorium should include a prohibition on late fees, and a prohibition on landlords reporting late payments to credit bureaus during the moratorium;

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<sup>1</sup> [https://www.oregon.gov/gov/admin/Pages/eo\\_20-13.aspx](https://www.oregon.gov/gov/admin/Pages/eo_20-13.aspx)

<sup>2</sup> <https://www.nhlp.org/wp-content/uploads/2020.04.10-NHLP-Homeowner-Relief-Info-Sheet-Update2.pdf>

- Create a requirement that there be a period of time, six months, after the moratorium ends during which tenants are allowed to pay back rent and may not be evicted for failure to pay their back rent. As you know, the current eviction moratorium simply delays the requirement that tenants pay rents due for the period covered by the moratorium, and these bills will still come due. For people who have lost work or income, being able to pay several months of back housing payments at once is unrealistic without direct financial assistance. While we work diligently to secure and provide rent assistance to people who need it, it is simply not possible to provide the amount of rent assistance to people who need it by June 30. It is our understanding that the Governor's Executive Order cannot impose a payment period – that action must be taken by the Legislature, and we urge you to do that as soon as possible to create certainty and predictability for people who rent their homes, as well as provide the time necessary to distribute rental assistance.

In addition, we need the Legislature to take urgent action and to create a foreclosure moratorium for people who own their homes. As noted above, the current CARES Act prohibits foreclosures<sup>3</sup> for approximately 70% of Oregonians, and protects people who have a mortgage that is owned or backed by a federal agency. This moratorium, which was included in the CARES Act, was scheduled to end on May 17, and all federal agencies involved have voluntarily extended this moratorium until June 30, 2020.

The Governor has not issued an Executive Order to provide protection against foreclosure for those homeowners who do not receive protection from the federal act. We are urging the Legislature to enact uniform and consistent protections for Oregonians to provide assurances that they will not be subject to foreclosure at this time. In addition, housing counseling agencies will soon begin using foreclosure counseling resources provided by the Legislature in 2019 to provide pre-foreclosure assistance to borrowers who may be impacted and need assistance in securing a loan modification or forbearance.

It is worth noting that we are hearing reports from counselors who work directly with homeowners that mortgage servicers are not being consistent in their messages to homeowners, or the information they provide about next steps. There is a lot of confusion and frustration on the part of homeowners, and a state policy is necessary to provide certainty and relief at this time.

#### **Financial Resources: Rent Assistance, Mortgage Payment Assistance**

As you know, the eviction moratorium simply delays the requirement that tenants pay rents due in April, May, and June, and the current federal foreclosure moratorium simply delays the requirement for homeowners to pay mortgage payments. These bills will still come due once the moratoria are lifted.

For people who have lost work or income, being able to pay several months of back housing payments at once is unrealistic without direct financial assistance. If relief is not provided, we simply increase the likelihood that more families will experience housing instability or homelessness.

With over 461,000 Oregonians and counting<sup>4</sup> having filed for unemployment, we know rent or mortgage payments are a primary concern for many households. Prior to the COVID-19 pandemic, one of every two households with a low income was considered cost burdened, meaning they were paying too much of their income towards rent to leave enough money left over for food, medicine, and other basic needs.

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<sup>3</sup> <https://www.nhlp.org/wp-content/uploads/2020.04.10-NHLP-Homeowner-Relief-Info-Sheet-Update2.pdf>

<sup>4</sup> <https://www.oregonlive.com/business/2020/06/oregons-new-employment-department-chief-promises-better-results-clear-communication-even-if-it-takes-calling-in-the-national-guard.html>

Prior to COVID-19, many Oregonians were just one paycheck away from homelessness, and were already being forced to make tough choices between paying rent and putting food on the table.

We believe that many Oregonians have been able to pay all or some of their housing payments thanks to the expanded Unemployment Insurance program and the direct economic impact, or stimulus payment. We know, however, that many Oregonians may remain ineligible for Unemployment Insurance or haven't yet received their benefits, and some have not and will not receive stimulus payments, or that those payments won't meet their basic needs.

### *Rental Assistance*

Thus far, rent collection data supports that tenants have been using economic impact payments, savings, and unemployment benefits to pay rent. With the average Fair Market Rent in Oregon at \$1194, the economic impact payment likely covered at least one, and likely two months of rent. We remain concerned that for many households, they may not be able to return to full employment before these sources of funds are exhausted. The expanded unemployment insurance is set to end in July, and we know we need additional rental assistance dollars as soon as possible to help make rent payments possible.

Many Oregonians who have lost work, hours, or income due to COVID will need help to pay their rent at the end of the eviction moratorium. The National Low Income Housing Coalition estimates that Oregon will need \$1.2 billion<sup>5</sup> to help people with very low incomes (0-50% of area median income) pay rent to make it through the next twelve months.

The Turner Center also estimated impact on likely renters, and identifies that an estimated 40 percent of Oregon renter households will lose income due to COVID<sup>6</sup>, and their monthly rents total \$300 million per month.

Anecdotally, since the \$8.5 million in resources for rental assistance allocated by the Emergency Board for rent assistance was made available to communities in mid-May, community providers have been experiencing much greater than normal call volumes of people in need of rent assistance. We believe these dollars will be expended very quickly, and we will need additional resources as June and July rents come due. We were thrilled to see that the Emergency Board will be considering<sup>7</sup> committing some of the Coronavirus Relief Funds to rent assistance this afternoon.

Thus far, we have identified several sources of funding from the CARES Act<sup>8</sup> which can be used for rental assistance:

- Oregon will receive both Community Services Block Grant (CSBG) and Emergency Solutions Grant (ESG) dollars, which can serve people with very low incomes and are directed to Oregon Housing and Community Services and the Community Action Agency networks. In addition to rent assistance being an eligible use, we also know that outreach, rapid rehousing for people experiencing homelessness, shelters, and motels are all eligible uses and competing and pressing needs for communities.
- Community Development Block Grant (CDBG) dollars can be used for a rent assistance program and may serve households up to 80% of area median income. Oregon is set to receive \$8 million

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<sup>5</sup> <https://nlihc.org/sites/default/files/Need-for-Rental-Assistance-During-the-COVID-19-and-Economic-Crisis.pdf>

<sup>6</sup> <https://turnercenter.berkeley.edu/blog/estimating-covid-19-impact-renters>

<sup>7</sup> <https://olis.oregonlegislature.gov/liz/201911/Downloads/CommitteeMeetingDocument/222382>

<sup>8</sup> [https://nlihc.org/sites/default/files/Housing-Instability-and-Homelessness\\_Cares-Act.pdf](https://nlihc.org/sites/default/files/Housing-Instability-and-Homelessness_Cares-Act.pdf)

for the balance of state in the first allocation of these funds, and an additional \$10.8 million in the second allocation from the CARES Act. Rental assistance is always an allowable use, but for FY19, FY20, and funds allocated under the CARES Act, Congress has lifted the restriction on only allowing 15% of these funds to go to a “public service,” of which rental assistance is considered an allowable use.

- Coronavirus Relief Funds, also from the CARES Act, may be used for rental or mortgage payment assistance. We would suggest that the Emergency Board, the Legislature, and the Governor consider committing \$300 million of the available \$1.4 billion of Coronavirus Relief Funds to support housing assistance to keep people who have lost income due to COVID-19 in their homes. Again, we are thrilled to see the commitment of \$75 million towards housing assistance from these funds.

*Direct assistance to regulated affordable housing providers to support stability of their residents.*

In Oregon, the vast majority of our regulated affordable housing has been built using federal tax credits. These resources do not allow providers to decrease or waive rent payments as a result of income losses for tenants. For the vast majority of the buildings, the federal government only provides initial construction resources. Providers of regulated affordable housing will need support from the state in order to ensure the housing stability of tenants, to waive unpaid rent accrued as a result of the economic impacts of the pandemic, maintain stability and continue essential operations.

Because of the regulatory structure in place through Oregon Housing and Community Services, we would suggest that providing direct assistance to affordable housing providers whose tenants can document economic losses due to the coronavirus may be the most expeditious path forward. Housing providers could collect documentation from tenants, and be reimbursed for lost rent through Oregon Housing and Community Services in order to minimize the number of people seeking assistance through our emergency rent assistance system and to allow housing providers to maintain housing stability. We urge the Legislature to commit funds from the Coronavirus Relief Funds explicitly for this purpose, and are excited to see the commitment of these funds for this purpose proposed by the Emergency Board this afternoon<sup>9</sup>.

*Mortgage Assistance*

In addition to rental assistance, mortgage payment assistance is key to helping to maintain housing stability. Homeowners with low incomes will need assistance to remain in their homes. Oregon currently has a program, which was created in response to the foreclosure crisis – the Oregon Homeowner Stabilization Initiative. Oregon, through Oregon Housing and Community Services, has received permission to use the remaining \$25 million available to provide financial assistance to homeowners. These funds could serve up to 4,000 households with mortgage payment assistance – which is critical at this time.

In addition, foreclosure prevention counseling is a key and critical need to support homeowners. Counseling helps inform homeowners of their options, helps navigate complex language and requirements, and leads to better outcomes for homeowners.

**People experiencing homelessness**

People experiencing homelessness are our neighbors and members of our community. People experiencing homelessness are often already experiencing negative health impacts of sleeping outside or other underlying medical conditions, and are at high risk of being extremely sick due to the

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<sup>9</sup> <https://olis.oregonlegislature.gov/liz/201911/Downloads/CommitteeMeetingDocument/222382>

coronavirus. In addition, they have very limited resources to help them implement the recommended guidance about hand washing and self-isolation when they are sick.

The Legislature should provide immediate resources to support homeless service providers to:

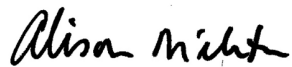
- **Increase resources to provide access to motels and hotels to provide shelter to people at high risk of severe illness or who are experiencing illness.** Motels offer an opportunity to isolate people at high risk, or to provide a safe place for people to be isolated who are already experiencing illness. The Federal Emergency Management Agency (FEMA) has made an agreement with many counties in Oregon which will provide a 75% reimbursement for non-congregate sheltering, or motel rooms for people experiencing homelessness who are sick or recovering from COVID-19, who have been exposed to COVID-19, or are at severe risk of complications if they do become sick. Every county in Oregon should expeditiously make this agreement with FEMA to support this non-congregate sheltering, and the Legislature should allocate funds to provide the match.
- **Increased resources to staff shelters and purchase supplies.** Shelters must be able to hire new staff and increase salaries for current shelter staff. In addition, shelters need resources to fund hygiene resources such as hand washing stations, hand sanitizer, soap, and other supplies to limit the spread of the virus in shelters.
- **Limit on sweeps:** For people experiencing homelessness, camp sweeps are dangerous and disruptive in the best of times. During this time, they may unintentionally move someone experiencing coronavirus to another part of town or another camp. ODOT and Cities should continue to increase sanitation, provide additional handwashing stations, and severely limit or prohibit sweeping camps immediately.

We ask that the Legislature immediately allocate funds to expand shelter capacity and staffing, and allow the agency and shelter providers to return to ask for additional resources as the scope and duration of this pandemic, and the economic fallout becomes more clear.

Without a stable home, people will not be safe, nor will they be able to return to work and school. We need to do all we can, as a state, to ensure we do not see a wave of evictions after the moratorium ends, or that people take on crushing loads of rental debt they simply can't afford. We are deeply concerned that economic evictions and foreclosures will begin as soon as the eviction moratorium is lifted, and people will face either crushing past debt or homelessness, which will make this bad situation worse.

Thank you very much for your time, and for your service to our state during these challenging times. We hope you will act urgently to provide relief to all Oregonians struggling as a result of this pandemic.

Sincerely,



Alison McIntosh  
On Behalf of the Oregon Housing Alliance

## Housing Alliance Members

1000 Friends of Oregon  
211info  
Aging in the Gorge  
Benton Habitat for Humanity  
Bienestar  
Bradley Angle  
BRIDGE Housing  
Business for a Better Portland  
CASA of Oregon  
Chrisman Development  
Central City Concern  
Children First for Oregon  
Church Women United of Lane County  
City of Beaverton  
City of Eugene  
City of Forest Grove  
City of Hillsboro  
City of Portland  
City of Tigard  
Clackamas County  
Coalition of Community Health Clinics  
Coalition of Housing Advocates  
College Housing Northwest  
Community Action Partnership of Oregon  
Community Action Team  
Community Alliance of Tenants  
Community Development Partners  
Community Housing Fund  
Community Partners for Affordable Housing  
Community Vision  
Cornerstone Community Housing  
DevNW  
Ecumenical Ministries of Oregon  
Enhabit  
Enterprise Community Partners  
Fair Housing Council of Oregon  
Farmworker Housing Development Corp.  
FOOD for Lane County  
Habitat for Humanity of Oregon  
Habitat for Humanity Portland/Metro East  
Hacienda CDC  
Housing Authorities of Oregon  
Housing Authority of Clackamas County  
Housing Development Center  
Housing Oregon  
Human Solutions  
Immigrant & Refugee Community Organization  
Impact Northwest  
Innovative Housing, Inc.  
Interfaith Alliance on Poverty  
JOIN  
Lane County Health and Human Services  
League of Oregon Cities  
League of Women Voters of Oregon  
Lincoln County  
Looking Glass Community Services  
Mainstream Housing Inc.  
Metro  
Mid-Columbia Housing Authority  
NAYA Family Center  
Neighborhood Partnerships  
NeighborImpact  
NeighborWorks Umpqua  
Network for Oregon Affordable Housing  
Northwest Housing Alternatives  
Northwest Pilot Project  
Oregon AFSCME Council 75  
Oregon Coalition of Christian Voices  
Oregon Center for Public Policy  
Oregon Coalition on Housing & Homelessness  
Oregon Council on Developmental Disabilities  
Oregon Food Bank  
Partners for a Hunger-Free Oregon  
Portland Community Reinvestment Initiatives  
Portland Homeless Family Solutions  
Proud Ground  
Raphael House  
REACH CDC  
Residents Organizing for Change (ROC) Oregon  
Rogue Action Center  
Rose CDC  
St. Francis Shelter  
St. Vincent de Paul of Lane County, Inc.  
ShelterCare  
Sisters Habitat for Humanity  
Sponsors, Inc.  
SquareOne Villages  
Street Roots  
Think Real Estate  
Transition Projects  
Washington County  
Welcome Home Coalition