



Oregon

Governor Kate Brown

Housing and Community Services

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Senator Shemia Fagan, Chair
Senator Dallas Heard, Vice-Chair

House Committee on Housing
900 Court Street NE
Salem, OR 97301-4048

Re: Additional information related to Oregon Housing and Community Services COVID-19 Response

Dear Chair Fagan, Vice-Chair Heard, and Members of the Senate Committee on Housing and Development:

Thank you for the opportunity to share the work of Oregon Housing and Community Services (OHCS) in response to the COVID-19 pandemic and economic crisis. We are grateful for your attention to these issues of vital concern to Oregonians. Due to the limited time, we were not able to fully detail resources available to our friends and neighbors impacted by COVID-19. That information is detailed below.

COVID Response Resources and Unmet Needs

The [PowerPoint presentation submitted to the committee](#) outlines resources available from [existing state resources](#), the [CARES Act](#), and the April 23rd Emergency Board funding, which includes [\\$8.5 million for rental assistance](#) and \$3.5 million to provide shelter to Oregon's farmworkers. These resources and unmet needs are detailed below, please note that this only includes resources that flow through OHCS:

- Oregonians Experiencing Homelessness
 - Federal resources that can be used for hotel/motel vouchers, shelter operation, rental assistance, and/or utility assistance. These resources go to [Community Action Agencies](#).
 - Community Services Block Grant (CSBG) - \$11.2 million this biennium, additional \$8.155 million from the CARES Act
 - Emergency Solutions Grant (ESG) - \$3.6 million this biennium, additional \$6.7 million from the CARES Act with an additional allocation expected
 - State resources:
 - Emergency Housing Assistance (EHA) - \$33 million of general fund and \$8.9 million from the document recording fee this biennium (uses: street outreach, emergency and transitional shelter acquisition/rehab, transitional housing, homelessness prevention and rapid re-housing, supportive in-home services, data collection, community capacity building designed to enhance, expand or sustain homeless services)
 - State Homelessness Assistance Program (SHAP) - \$12 million the biennium (uses: street outreach, shelter acquisition, rehab, maintenance and operations, resident support services, data collection and reporting)
 - Shelter Resources - \$5 million this biennium (funds have been expended)

- Needs: OHCS remains concerned for Oregonians experiencing homelessness, particularly for those that are unsheltered. [Oregon's Statewide Shelter Study](#) found that Oregon needed to more than double the available shelter beds. With social distancing requirements related to COVID, our existing bed capacity has been greatly diminished. Luckily, thanks to Governor Brown, Oregonians cannot be evicted due to non-payment of rent. However, when the eviction moratorium expires at the end of this month, we may see a wave of evictions and more Oregonians falling into homelessness.
- Rental and Housing Stability Assistance
 - Federal resources that come to OHCS and can be used for hotel/motel vouchers, shelter operation, rental assistance, and/or utility assistance. These resources go to [Community Action Agencies](#).
 - Community Services Block Grant (CSBG) - \$11.2 million this biennium, additional \$8.155 million from the CARES Act
 - Emergency Solutions Grant (ESG) - \$3.6 million this biennium, additional \$6.7 million from the CARES Act with an additional allocation expected
 - Low Income Home Energy Program (LIHEAP) - \$64.8 million for bill payment assistance this biennium, additional \$9.5 million from the CARES Act (utility assistance only)
 - Community Development Block Grants (CDBG) – some resources in the CARES Act will be dedicated to rental assistance. OHCS is working closely with Business Oregon, who administers CDBG, to develop CDBG Rental Assistance. Local governments that do not directly receive CDBG from the federal government are eligible to apply for these resources.
 - Coronavirus Relief Funds (CRF)– on Friday the [Emergency Board](#) allocated CRF to provide assistance through three programs:
 - [Rental Assistance](#) – \$55 million in rental assistance to be provided through CAAs (up to 5% admin for OHCS)
 - [Energy Assistance](#) – \$15 million in utility assistance to be provided through CAAs
 - [Affordable Housing Provider Stability](#) – \$20 million to provide operating loans to affordable housing providers
 - State resources:
 - Emergency Housing Assistance (EHA) - \$33 million of general fund and \$8.9 million from the document recording fee this biennium (uses: street outreach, emergency and transitional shelter acquisition/rehab, transitional housing, homelessness prevention and rapid re-housing, supportive in-home services, data collection, community capacity building designed to enhance, expand or sustain homeless services)
 - State Homelessness Assistance Program (SHAP) - \$12 million the biennium (uses: street outreach, shelter acquisition, rehab, maintenance and operations, resident support services, data collection and reporting)
 - COVID Rental Relief - \$8.5 million allocated by the Emergency Board on 4/23/2020 (uses: rental assistance to Oregonians impacted by COVID)
 - Needs:

- Rental Assistance: Before COVID, 27% of Oregon renter households have a “severe housing cost burden,” meaning they spend more than half of their income on housing and utilities. You heard about market-rate and affordable housing rent arrearages during the committee meeting, and the need is certainly higher than what can be met by existing and new resources. OHCS is hearing from our Community Action Agency (CAA) partners about this. The \$8.5 million allocated in April will provide much needed stability, but it won’t meet the need (from May 27th report):
 - One CAA received 900 calls in one day, but reported their funding could only serve about 328 households.
 - Another CAA reported the allocation received cannot serve everyone on their waitlist.
 - One CAA reported receiving 130 calls per day and 20 website inquiries, but their resources can only serve 80-100 households.
- Affordable Housing Provider Needs: Affordable housing developments are reporting missed rent payments. From an [OHCS survey](#), an estimated 11.6% of rent was not paid within OHCS regulated affordable housing. There is a risk that publicly supported housing will not be able to meet operating resource needs, which could lead to increase deferred maintenance, default, and potentially foreclosure. In addition, if rent arrearages of economically impacted residents are not reduced or forgiven they will need to be repaid; at this point of economic uncertainty it is not possible to be sure that all households will be able to recover. The state's stock of affordable housing is home to many of the state's growing communities of color, equally or more disproportionately impacted by the corona virus, and the financial instability of the housing where they live may impact their housing stability.
 - Please note that this need is specific to OHCS funded properties. Industry groups such as Multifamily Northwest or Oregon Rental Housing Association can better speak to private market needs.
- Energy Bill Payment Assistance: OHCS bill payment assistance programs (LIHEAP and Oregon Energy Assistance Program) served **less than 20% of those that are eligible** pre-COVID. With likely increased residential energy use due to Stay Home, Stay Safe recommendations and historically high unemployment levels, the need will be much greater. Utility providers are beginning to report increased arrearages and many are voluntarily suspending shutoffs. When this crisis ends, many of our friends and neighbors will be unable to get caught up on their utility bills. The [House Committee on Energy and Environment](#) heard about these issues on 5/28/2020.
- Homeowner Support
 - Federal resources for mortgage assistance
 - Oregon Homeownership Stabilization Initiative (OHSI) - ~\$25 million remain from the federal Hardest Hit Funds administered by U.S. Treasury. OHCS will be reopening OHSI this summer to help Oregonians get current on their mortgage. However, OHCS needs administrative allowances to operate OHSI beyond a few

weeks. U.S. Treasury is supportive of OHCS taking admin fees, but this requires a contract amendment that has been pending since March. Additionally, U.S. Treasury clarified that other funds cannot support OHSI administration.

- State resources:
 - Homeowner Assistance Program - \$12.4 million, funded by the Document Recording Fee (uses: down payment assistance, home rehab/repair, support for Homeownership Centers)
 - Oregon Foreclosure Avoidance - \$1.5 million allocated during the 2019 session (mandatory foreclosure mediation program)
- Mortgage Assistance Needs: OHSI used more than \$220 million to serve more than 14,000 homeowners avoid foreclosure through loans, grants and financial counseling since 2011. Although state economics have indicated this economic crisis and recovery will not last as long as the 2008, it is likely the \$25 million of OHSI funds will not see us through this crisis.
- Counseling Needs: [Forbearance](#) is an important housing stability tool, but it can be complex and homeowners must be clear on what they are signing up for. OHCS has made some resources available from HOAP to support Homeownership Centers in providing guidance and support to homeowners, but additional resources will likely be necessary.
- Agricultural Workers
 - Federal resources for hotel/motel vouchers and alternative housing for agricultural workers in response to new Oregon Occupational Safety and Health housing rules.
 - Coronavirus Relief Fund - \$10 million
 - Partnership with Oregon Department of Agriculture and Oregon Water Enhancement Board (presented to the [House Committee on Agriculture on 5/26/2020](#) and the [Senate Committee on Environment and Natural Resources on 6/4/2020](#))
 - State resources:
 - Farmworker Safe Shelter - \$3.5 million allocated by the Emergency Board on 4/23/2020 (funds were allocated to the Oregon Human Development Corporation to ensure essential members of our food supply chain can remain healthy by increasing social distancing)
 - Needs: [On 5/29/2020 Governor Kate Brown announced a \\$30 million initiative to protect Oregon's essential agricultural workers](#). Included in this packages is \$10 million for hotel/motel and housing for Oregon's farmworkers. While the \$13.5 million in resources outlined will be vital to slowing the spread of COVID-19 for many agricultural workers and their families, it's likely these resources will not meet the need of Oregon's agricultural industry.

COVID-19 and Homeless Services and Shelter System

Senator Golden raised a question about CARES Act funding and low-barrier homeless shelters and navigation centers. Safe sheltering during COVID response requires non-congregant shelter due to physical distancing needs during this pandemic. As detailed above, the funding that came to OHCS from

the CARES Act can be used for shelter resources. There are additional funding streams that were allocated from the CARES Act to local governments that may be used for similar purposes, as well as FEMA resources for shelter. OHCS continues to leverage our role as a convener through the [COVID-19 Statewide Homeless Populations Taskforce](#) to support providers in identifying solutions and resources.

Through no fault of their own, our friends and neighbors are facing some of the most challenging times in recent memory. Thank you for your compassion towards those Oregonians that are struggling. Please let us know if we can provide any additional information.

Sincerely,

Margaret Salazar
Oregon Housing and Community Services, Executive Director