

Analysis

Item 45: Housing and Community Services Department

Safe Shelter Flexibility Report

Analyst: Michelle Deister

Request: Acknowledge receipt of a report from the Housing and Community Services Department on the constraints of Coronavirus Relief Funds directed toward safe sheltering options for farmworker populations vulnerable to COVID-19 infections.

Analysis: At the April 2020 meeting of the Emergency Board, a \$12.0 million allocation from the Emergency Fund to the Housing and Community Services Department (HCSD) was approved for the following purposes: \$8.5 million for rental assistance payments on behalf of Oregonians struggling to pay rent due to income loss from COVID-19; and \$3.5 million for safe sheltering alternatives for populations vulnerable to COVID-19, including farmworkers and the homeless. During the August 2nd special session of 2020, budget balancing efforts resulted in swapping the Emergency Fund allocation -- which was General Fund -- with Coronavirus Relief Funds (CRF)¹, for which these activities are eligible. Replacing General Fund with CRF has resulted in a tighter time frame; any dollars not expended by December 30, 2020 must be returned to the Federal Government, unlike General Fund which could be spent through June 30, 2021.

HCSD reports that it granted the safe shelter portion of funds to the Oregon Human Development Corporation to serve farmworkers, vulnerable because they live and work in close proximity to one another during harvest seasons. Farmworkers are not utilizing the funds for sheltering alternatives as expected. Reportedly, this is in part because of concerns that any assistance for shelter makes them vulnerable to being considered a “public charge”², which could negatively impact entry and permanent residency opportunities, and in part because workers are not eager to shelter away from their families.

HCSD believes the full \$3.5 million can be utilized in service of the target population if the contractor is able to use funds to support housing stability more generally, rather than solely through sheltering alternatives. Examples of expanded uses cited by HCSD include allowing funds to defray individual worker transportation costs (many workers are currently avoiding bussing to jobsites because of proximity concerns) and allowing funds to be used to address rent and utility arrearages farmworkers may have accumulated due to income gaps created by COVID.

Legislative Fiscal Office Recommendation: The Legislative Fiscal Office recommends that the Emergency Board acknowledge receipt of the report from the Housing and Community Services Department, with the understanding that in serving farmworkers, the Housing and Community Services Department will expand allowable uses of funding to include activities that support housing stability for this population.

¹ Coronavirus Relief Funds (CRF) are Federal Funds granted to states through the CARES Act for state services and programs that mitigate the health and economic impacts of the Coronavirus. In Oregon, the repository for CRF funds is the Department of Administrative Services (DAS). DAS passes these funds through to individual agencies which they budget and spend as Other Funds.

² COVID-19 related emergency assistance does not meet the definition of public assistance under the “Public Charge” rule.

Request: Report on expanding the use of Coronavirus Relief Funds in the COVID-19 Safe Shelter Program to include emergency housing and support services.

Recommendation: Acknowledge receipt of the report.

Discussion: The Housing and Community Services Department received a \$3.5 million General Fund allocation from the Emergency Board on April 23, 2020, to provide a safe sheltering program to Oregon farmworkers. Farmworkers experience an increased risk of contracting COVID-19 due to living and working together in close proximity. The Department created the COVID-19 Safe Shelter Program (CVSSP) to provide safe shelter services, such as hotel/motel vouchers, and subsequently allocated funds to the Oregon Human Development Corporation (OHDC) in May 2020. The Emergency Board provided guidance allowing either non-obligated funds or unspent obligated funds remaining after six months, to be used for rent assistance. Because General Fund was allocated for this program, the Department had until June 30, 2021 to obligate and spend the funding, potentially on rent assistance.

The OHDC is a non-profit organization that provides social services, primarily directed towards farmworkers. The OHDC has determined some farmworkers are hesitant to seek safe shelter resources due to a distrust of governmental entities. This perceived stigma has been further exacerbated by confusion about the federal Public Charge rule. The Public Charge rule makes a person potentially ineligible for admission to the United States or prevents the individual from becoming a permanent resident if it is determined the person would likely require public benefits, such as Temporary Assistance to Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), or Section 8 Housing Assistance (Housing Choice Voucher Program), among others. The Public Charge rule does not apply to COVID-19 emergency assistance. In addition, OHDC has found some farmworkers do not want to seek shelter away from their families.

In August, at the 2020 2nd Second Special Session, the Legislature fund shifted the CVSSP budget from General Fund to the Coronavirus Relief Funds (CRF) (Other Funds) in an effort to conserve General Fund. The CVSSP costs are eligible for CRF; however, expenditures must be made by December 30, 2020. As of September 16, 2020, all \$3.5 million has been obligated to OHDC; however only \$316,942 has been spent on farmworker safe shelter services. Unspent funds can be used for rent assistance, but must still be spent by December 30, 2020, which allows only one month to spend down CRF resources. Unspent CRF funding remaining after December 30, 2020 must be returned to the United States Treasury.

The Department indicated the best way to utilize the CRF revenue in the CVSSP is to allow additional expenditure flexibility, which includes safe shelter services, emergency rent and utility assistance, and transportation costs. This change will allow CRF resources be used for eligible expenses before the end of the grant period.



Oregon

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The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Tina Kotek, Co-Chair
State Emergency Board
900 Court Street NE
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Dear Co-Chairpersons:

Nature of the Request

The April meeting of the Joint Emergency Board (E-Board) allocated \$3.5 million to Oregon Housing and Community Services (OHCS) to provide a safe sheltering program for farmworkers in Oregon who experience an increased risk of COVID-19 infection due to living and working conditions. The COVID-19 Safe Shelter Program (CVSSP) was recently converted from State General Funds (GF) to Federal Coronavirus Relief Funds (CRF) during the August 2020 Special Session. As a result, the period to spend down these dollars decreased from 6/30/2021 to 12/30/20. Because of the strict federal guidance and the extremely short grant period of the CRF dollars, this program is at risk of lapsing before our community members in need are able to access program services to help obtain safe shelter and maintain housing stability. OHCS requesting additional flexibility in use of these dollars to allow funds to provide safe sheltering and other emergency housing stability and support.

Agency Action

OHCS allocated these resources to Oregon Human Development Corporation (OHDC) to ensure Oregon's farmworkers, a vital workforce, can safely shelter and avoid COVID infection. The April E-Board memo mandated these dollars, if not be obligated after six months from the time OHCS allocated them to OHDC, be converted to rent assistance. OHCS allocated these resource at the end of May, meaning rental assistance would be an allowable use in the end of November. With the requirement to spend down funds by 12/30/20, this leaves only one month for OHDC to serve those in need with rental assistance.

OHDC serves a unique population that has a documented distrust of government and public assistance, made worse by confusion around the Public Charge (which does not include emergency assistance such as this). OHDC is working to provide reassurance to the farmworker community with respect to the use of these federal funds. We have heard from OHDC that some farmworkers are hesitant to stay in motels away from their family, which is impacting the initial intention of program funds. In additional conversation with our partners we feel that if granted



additional flexibility in use of CVSSP CRF dollars we will more easily be able to spend down the dollars and support households in a more culturally responsive manner.

Action Requested

OHCS is requesting a modification of the E-Board language to allow for increased flexibility to use this funding for emergency assistance, including the payment of rent and utility arrearages and transportation costs, to ensure that farmworkers that are served under this program can maintain stability by staying in their homes as well as through safe sheltering. Transportation costs are critical for this population due to the virus transmission risks inherent when being in close proximity with others in vehicles such as 15-passenger vans, a traditional transportation model in this workforce. Many farmworkers have resorted to taking their own vehicles to work. This added burden they face as essential workers is placing an undo strain on their ability to pay for the transportation.

If the funds cannot be fully obligated by 12/30/20, OHCS will need to return the funds to the United States Treasury Department and Oregonians will lose out on housing assistance. OHDC is confident that, with increased flexibility in allowable costs, they will be able to spend down the funds and serve Oregonians before the grant period closes. With increased flexibility to use these dollars for shelter as well as transportation costs, rental and utility assistance, we anticipate being able to more quickly spend down dollars with higher responsiveness in how we serve the farmworker community.

Legislation Affected

Legislation would not be impacted by this change. The April E-Board memo detailed the initial uses of this \$3.5 million, first GF and now CRF, would include expanded eligible uses for CVSSP funds.

Sincerely,



Margaret Solle Salazar, Director

cc: Ken Rocco, Legislative Fiscal Office
Michelle Deister, Legislative Fiscal Office
George Naughton, Department of Administrative Services
Alisa Webb, Department of Administrative Services