



MULTIFAMILY NW

The Association Promoting Quality Rental Housing

September 24, 2020

Dear Chair Fahey, Vice Chair Meek, Vice Chair Zika and Members of the Committee,

We are calling on you and your colleagues to examine the system in which emergency rental assistance funds are being distributed across the state. The recent state of emergency has brought to our attention that Oregon lacks a uniform system for accessing rental assistance and for reporting on the disbursement of rental assistance funds. These are two critical components to ensure the system is serving Oregonians who need help the most.

Oregon Lacks a Uniform System for Accessing Rental Assistance

We continue to hear from our members that accessing funds can be highly complex from the tenant's standpoint. Many of the same Oregonians who are looking to our community action agencies for help have already spent hours on the phone each day for weeks at a time to apply for unemployment insurance only to hear a busy signal on the other end of the line. They are now being asked to perform a similar routine all over again with little assurance of ever receiving the assistance they desperately need.

For example, If I were looking for assistance with my rent in Multnomah County, I would be greeted with the following message on the 211 Info website, "The 211 info wait list for the COVID-19 Rent Relief Fund is **CLOSED**. The wait list opens periodically; if it is closed, continue to check back regularly for updates. Being placed on the wait list does not guarantee assistance." Daily check ins to this website since the beginning of August would show the same message. No other guidance is available for me here, despite the existence of multiple community action agencies designed to help underserve communities. Clearly there is disconnect here in my ability to access assistance.

We have also heard that "new" systems take longer time to stand up to become effective for regions with higher demand. While there would be challenges in setting up a new program, regions like Multnomah County have had systems in place for delivering rental assistance for many years, yet there is still no official reporting on the delivery of rental assistance through their community action agencies.

Oregonians are seeing a frightening pattern during the COVID-19 crisis: Oregon's emergency social service response systems have failed.

Oregon Lacks a Uniform System for Reporting on Disbursement of Rental Assistance

Multifamily NW has made weekly inquiries to Oregon Housing and Communities Services (OHCS) to better understand the system for deploying emergency rental assistance. We have asked for answers to the following critical questions:

- How much money, from all sources, has been allotted for emergency rental assistance?
- How much money has been disbursed for emergency rental assistance?
- How much money is left for emergency rental assistance?
- With this money, how many total households will you help before the end of the year before the funds are to be clawed back?

The team at OHCS has been helpful in helping us try to navigate the complex decentralized nature of the various reporting mechanisms.

We received a report at the end of August from OHCS that indicated that about a quarter of the Corona Virus Rent Relief Program (CVRRP) funds had been applied for at the community action agencies, but it did not provide firm numbers on exactly how much of the funds had gone out from each community action agency or how much of the funds were left to be deployed. We have included this report for your review.

This level of transparency and accountability is available in other states such as Arizona.

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The Housing Affordability Crisis Will Get Worse

Over the past five months we have been collecting data regarding payments of rent in partnership with OHCS, and the Rental Housing Alliance. Overall, we have not seen the nonpayment of rent that we initially modeled. However, we continue to see our residents in naturally occurring market rate affordable properties struggle the most. Nearly 20% of these households have shown nonpayment of rent, which is twice the average of newer market rate housing. Housing providers for many of these affordable properties do not have the wherewithal to endure months of unpaid rent. If rental assistance levels are not increased overall, and the assistance continues to be deployed at the same slow rate as over the last five months these properties will eventually be sold. It is likely they will be sold to hedge funds and other investment groups. We have already seen this occur in Oregon after the 2008 financial crisis.

It's important to note that since the beginning of the pandemic, rental housing providers have been deemed essential to reducing the spread of COVID-19 and they've been told to provide housing even while their primary source of operating revenue and income has been made optional. Rental housing providers are expected to pay mortgages – the majority of which are not covered by the state's foreclosure moratorium- and local and state taxes, utilities, and fees without any assurance of any rental income. They are also not given the same protections from negative credit reporting as their residents are under HB 4213.

Oregon's moratorium on evictions for nonpayment of rent is about to expire at the end of September. This is obviously the time to reassess what the plan is for the State of Oregon. We ask that you tie nonpayment of rent to some basic proof of hardship during this time.

I want to make this as clear as possible: Oregon's naturally affordable housing stock is at stake here and you have the power to do something about it.

Next Steps to Help Oregonians

It is our understanding that Representative Fahey is looking at unique options like those in Colorado and Washington where the housing provider can apply for the short-term rental assistance on behalf of their residents. We applaud her efforts to look at 'best practices' in other states. As we move forward any additional opportunities to increase transparency, capacity and effectiveness should be considered. Additionally, rent payment forbearance should be tied to the pandemic, similar to the CDC example.

We remain a champion for our residents to help them gain access to all the assistance available. Multifamily NW has been a partner with the state in collecting data regarding rents paid and units available to fire evacuees and will continue to offer our assistance in any way that might be helpful. Thanks for your time today.

Sincerely,

Deborah Imse
Executive Director
Multifamily NW