



**OREGON HOUSING *and*
COMMUNITY SERVICES**

725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

December 20, 2020

Chair: The Honorable Senator Peter Courtney
Chair: The Honorable Representative Tina Kotek:
Vice Chair: The Honorable Senator Fred Girod
Vice Chair: The Honorable Representative Christine Drazan
Joint Interim Committee on the 3rd Special Session of 2020
900 Court Street NE, Salem, OR 97301

RE: Legislative Concept 18 (LC 18), Landlord Compensation Fund Administration

Dear Chair Courtney, Chair Kotek, Co-Chair Girod, Co-Chair Drazan and Members of the Committee:

Oregon Housing and Community Services (OHCS) and our service provider partners have spent the last eight months delivering hundreds of millions of public funds to provide relief to Oregon families. That includes more than \$63 million in traditional tenant-based rental assistance delivered through regional community action agencies, as well as energy assistance and mortgage assistance. These resources are helping thousands of our friends and neighbors weather the COVID storm, and we are incredibly grateful to the Oregon Legislature for prioritizing housing stability in the face of concurrent crises.

However, even with more than \$300 million in additional resources this year, we know there is still an unmet need for Oregonians. As Oregon's Statewide Housing Plan outlines, more Oregonians are living in poverty now than during the Great Recession. More than one quarter of renters have a severe housing cost burden, meaning they spend more than half their income on rent alone. And this was before the pandemic. Now, the need is greater and many of our relief programs will expire at the end of the year due to the federal Coronavirus Relief Fund deadline.

OHCS is grateful to Representatives Julie Fahey and Jack Zika for beginning conversations in July on a new housing relief package. The workgroup homed in on the Landlord Compensation Fund and has worked to refine the program since August. In September, OHCS and public housing authority (PHA) representatives formed a subgroup to further refine implementation details. The program outlined in LC 18 is reflective of those discussions.

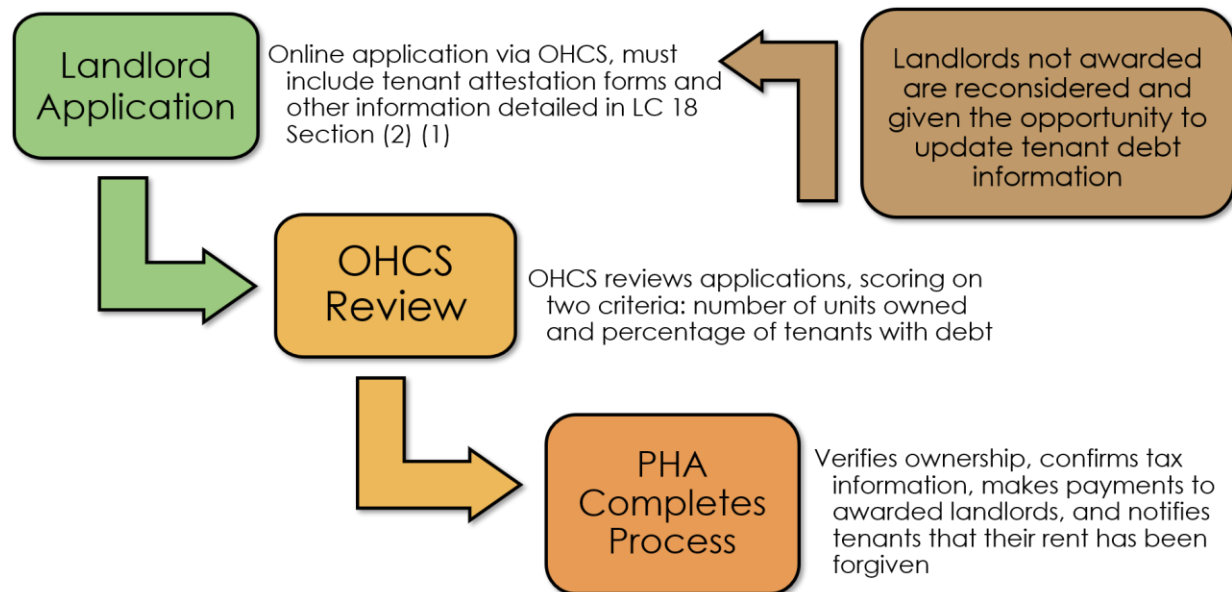
The Landlord Compensation Fund was designed with expediency in mind, given that so many renters and landlords need immediate support. As outlined in LC 18, OHCS would administer the program in partnership with public housing authorities. OHCS will serve as a central intake



agency and oversee the program. PHAs will verify ownership, make payments to landlords, and notify tenants that their rent has been paid on their behalf.

Landlords will be eligible for grants of 80% of tenant debt for tenants that submit an attestation form, OHCS will produce this form and make it available via a to-be-established webpage. OHCS has no plans to limit a landlord's access to this program. To ensure statewide reach of these resources, OHCS will create regional set asides using a needs-based formula. We anticipate an online application could open by the end of January. The application will open monthly until funds run out, with unfunded landlord applications rolling over to the next month.

Each month, OHCS would score the applications to determine which landlords will receive relief resources. We anticipate this process will take about a week or two, depending on how many applications are received. Once OHCS identified which landlords will move forward that month, OHCS will share that information with the local public housing authority to finalize the process. The flow chart below details what a landlord can expect from this program.



LC 18 also includes additional tenant-based rental assistance. Tenants apply for that rental assistance through community-based organizations. Like all OHCS funded rent assistance, rent payments are made directly to the landlord. OHCS will work with regional community action agencies and other providers to ensure Oregonians across the state have access to this assistance. Since LC 18 is funded with General Fund, funds allocated must be spent by June 31, 2021.

As of this writing, OHCS is closely tracking [legislation moving through Congress that includes \\$25 billion in rent and utility assistance](#) through a new wave of Coronavirus Relief Funds (CRF). This package may pass as early as this week. According to the National Council of State Housing Finance Agencies, the new stimulus bill would bring more than \$282 million in housing assistance to Oregon as a whole (though some resources will go directly to the City of Portland). Like all federal funds, there will be strings attached that require careful and deliberate program design. What those federal strings look like remains unclear. The good news, unlike the last CRF, the deadline to use these resources is through Fiscal Year 2022, which will allow OHCS time for careful program design to ensure compliance with federal guidance and highest and best use of public resources. OHCS, due to limited staff capacity, will delay the implementation of federal funds as we prioritize administering the Landlord Compensation Fund.

If OHCS has learned anything from 2020, it's that government must be nimble. With the potential passage of LC 18 and a new stimulus bill, OHCS will be working to establish the Landlord Compensation Fund while potentially unpacking a second tranche of federal COVID response resources. Let me be clear, these federal funds will have elements that are incompatible with the program as envisioned by LC 18. Swapping state General Fund with new CRF must be done in a thoughtful manner to avoid service delivery disruptions, including the potential need for state resources to support administrative costs. Should the federal stimulus package pass, OHCS will work with the Legislature to address any program element mismatches.

Thank you to the Oregon Legislature for your commitment to housing stability through the COVID-19 economic fallout. OHCS wants to again thank Representative Fahey for bringing us to the table early to think through the administration of this program, and for working with OHCS on technical amendments to LC 18. These early conversations were vital to OHCS' ability to expedite this program.

If approved on Monday, OHCS will send information on the Landlord Compensation Fund timeline and implementation to legislators ahead of the Christmas holiday. Should you have any questions in the meantime, please reach out to OHCS Interim Director of Public Affairs, [Nicole Stingh](#).

Respectfully submitted,

Margaret Salazar
Executive Director

