



**OREGON HOUSING *and*  
COMMUNITY SERVICES**

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October 6, 2021

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

**Re: Follow Up Information on OHCS Rental Assistance Programs**

Dear Chair Fahey, Chair Jama, Vice-Chair Morgan, Vice-Chair Campos, Members of the Senate Committee on Housing and Development, and Members of the House Committee on Housing:

We at Oregon Housing and Community Services (OHCS) have been laser focused on the Oregon Emergency Rental Assistance Program (OERAP) since the Legislature adjourned. It's safe to say that there has never been rental assistance in even a quarter of this scale available, and that OERAP hit a nerve of long-standing, unmet need in Oregon communities. We appreciate your attention, concern, and thought partnership as OHCS and our partners continuously improve the distribution of OERAP funds.

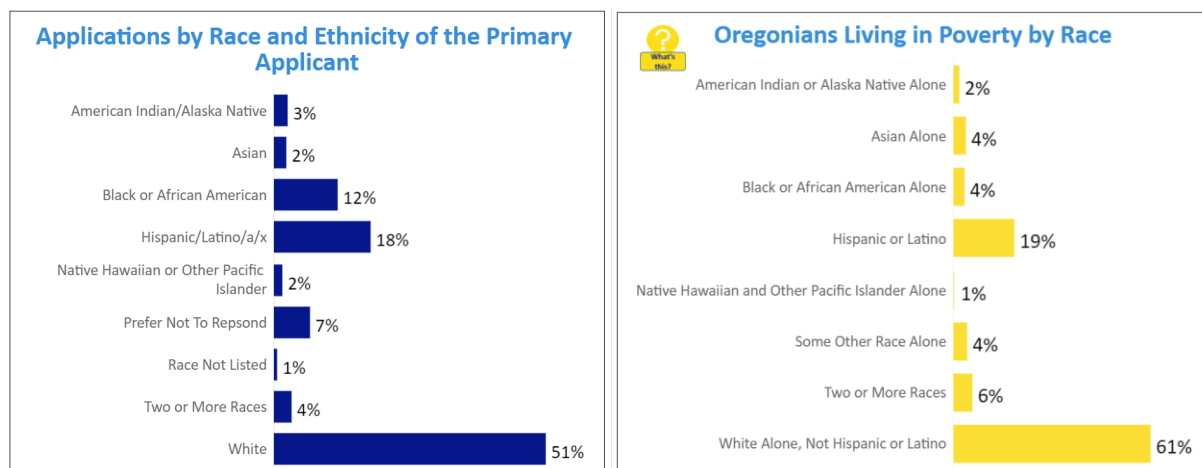
The [Planet Money Podcast](#) recently aired an episode dedicated to ERA programs across the country, and included trends, road blocks, and the personal story of one renter's challenging journey in accessing assistance. It offers a look into what's happening on the ground with emergency rental assistance nationwide.

**Rental Assistance Outreach**

Legislators asked several questions related to outreach and ensuring Oregon renters are aware of this resource. OHCS has partnered with Community Action Agencies, Public Housing Authorities, other state agencies, school districts, libraries, local governments, tenant and landlord organizations, and a network of over 250 organizations to get the word out with a communications tool kit available in five of the top spoken languages (English, Spanish, Chinese, Russian, and Vietnamese) in Oregon ([available here under more resources](#)). We've asked many partners to help spread the word, including legislators and local elected officials, and are continuing to get the word out about these programs. Along with press releases and media events, OHCS established [OregonRentalAssistance.org](http://OregonRentalAssistance.org) to make information accessible. OHCS ran social media ads as part of the program rollout. We have also created social media resources in those same top five languages and partnered with the Oregon Health Authority to include OERAP information in back-to-school packets in twelve languages sent to thousands of households that may not have internet access.



Our partners on the ground are also supporting outreach. The Oregon Human Development Corporation is focused on supporting outreach and intake in diverse Spanish-speaking communities, and they've placed radio ads, TikTok ads, and other ads to promote the program. Community Action Agencies are also promoting the program in their communities. The results of this are evident – in less than five months, the OERAP program had more applications submitted than the total served with tenant-based rental assistance programs from April 2020 - June 2021. OHCS is continuing to promote the program, and we appreciate your ongoing support getting the word out. The charts below detail the race and ethnicity of applicants compared to Oregonians living in poverty.



While we are proud of how many Oregonians know about or have applied to OERAP, we certainly have room for improvement. OHCS is using ERA 2 resources and state funds to support \$18 million in new partnerships. Through a partnership with OHA, the *Housing is Our Health* initiative will bridge the connection between stable housing and personal health through 15 community-based organizations. Other organizations receiving grants include the Department of Justice Crime Victim and Survivor Services Division, the Fair Housing Council of Oregon, Immigrant and Refugee Community Organization (IRCO), Oregon Law Center, Oregon Human Development Corporation, and Transition Projects, Inc., with more organizations to be announced in the coming weeks.

### Eligible Households

Vice-Chair Morgan asked how many households may be eligible for assistance. It's hard to predict an exact number, but 340,060 renter households live at or below 80% of the area median income according to the 2018 American Community Survey data from HUD and of those, approximately 142,000 pay more than 50% of their income on housing costs and are considered severely rent burdened. It's unclear how many of those households are behind on rent, lost income, or saw increased expenses in the last year, but according to week 37 of the [U.S. Census Household Pulse Survey](#), nearly 90,000 Oregonians said they were either not

current on this month's mortgage or rent or were not confident they could pay next month's mortgage or rent. OERAP currently has nearly 38,000 applications, with 1,000-2,000 new applications submitted each week.

### Improving the Application

It can be extremely burdensome to gather the documentation necessary to apply for assistance programs. OHCS has embraced every flexibility offered by the U.S. Treasury and has taken extra steps to reduce challenges associated with documentation required by U.S. Treasury. OHCS focused initially on reducing the documentation requirements for applicants, allowing a variety of self-attestation forms including self-verification of income, self-verification of no income, self-verification of rent owed, self-verification of rent owed if no lease, and other low-barrier best practices. According to the [National Low Income Housing Coalition](#), OERAP is in the minority of programs allowing for this flexibility. While OHCS has strongly encouraged the use of these flexibilities, there are inconsistencies in how local program administrators (LPAs) are adopting them across the state, and that is a major area of our attention now. Fellow presenters and legislators have raised important concerns about the OERAP application. If the format of the current application is making it challenging for LPAs to fully adopt flexibilities such as self-attestation, we need to be cognizant of that, hear the feedback and make changes. OHCS certainly sees room for improvement, and we will convene a group of stakeholders as soon as possible to help us think through improvements to the online and paper application. We're already taking steps on this work.

### Ensuring Resources Reach Those in Need & Preventing Fraud

Vice-Chair Morgan, Chair Jama and Representative Meek raised questions about fraud and potential U.S. Treasury audits given the U.S. Treasury flexibilities. Starting with the audit concerns, this is a salient issue that Congresswoman Waters is working to address at the national level. OHCS is drafting contractual amendments to help support program administrators in fully utilizing these flexibilities with assurance from OHCS that those flexibilities are fully allowable and that local program administrators will be held harmless for use of those low barrier approaches. We continue to push at the national level to codify U.S. Treasury's flexibilities. Easing application requirements will increase processing times, and it's the right thing to do to support tenants in crisis.

To confirm, the instance of fraud is relatively low in this program given the number of applicants. OHCS has established a fraud email, [opera.fraud@oregon.gov](mailto:opera.fraud@oregon.gov), to elevate any fraud concerns. Of nearly 38,000 applications submitted, fewer than 50 have been elevated for OHCS review. Fraud is a risk with every program. However, to be clear, Oregonians unaware or unable to access assistance is likely much greater than the small group of bad actors attempting to take advantage of the system. Some of the documentation requirements, such as the W-9 provided by landlords, help to prevent fraud.



**Use of Categorical Eligibility**

We were pleased to hear the discussion of Categorical Eligibility, which is one of the US Treasury allowed approaches for streamlining assistance. OHCS has embraced all flexibilities available to date from the onset of the program. Chair Fahey inquired why categorical eligibility has not been built into the program. Categorical Eligibility is a policy that allows an applicant to be determined eligible if they are accessing another government assistance program. Although this has been used in utility programs/assistance in the past, including for Coronavirus Relief Fund utility assistance in 2020, it has not been used to date in OERAP because self-attestation has been deemed the most appropriate and streamlined option to getting assistance out the door quickly to tenants in need. Technically, self-attestation serves the same purpose as categorical eligibility, but is often considered more accessible since it does not require any documentation of eligibility or enrollment in other government assistance programs. However, OHCS and the HSS team are exploring ways to adopt this approach, in addition to continuing to allow self-attestation, as it is another direct and straightforward way for tenants to access the resources needed. We embrace Categorical Eligibility and are planning to expand use of this low-barrier policy and practice. Additionally, we have provided a policy and associated procedures for the implementation of fact-based proxy to be utilized by processors to bypass income documentation writ large. To confirm, tenants can self-attest to their eligibility for OERAP and/or be deemed eligible via fact-based proxy without having to provide documents of other benefits.

**Timeline Distribution of Funds**

Chair Jama asked about the average processing time. This is difficult to predict statewide because it varies drastically depending on the program administrator and associated team of processing staff. The average processing time by program administrator is below. It is important to note that processing time has picked up dramatically in the months of August and September as local program administrators and our outside vendor began ramping up production with additional staff and familiarity with the program and software.

<b>Program Administrator</b>	<b>Average Processing</b>
<b>ACCESS (Jackson County)</b>	71 day average
<b>Community Action of Oregon (Washington County)</b>	99 day average
<b>Community Action Partnership of East Central Oregon (Gilliam, Morrow, Umatilla &amp; Wheeler Counties)</b>	45 day average
<b>Community Action Team (Clatsop, Columbia &amp; Tillamook Counties)</b>	25 day average
<b>Community Connect on NE Oregon (Baker, Grant, Union &amp; Wallowa Counties)</b>	42 day average
<b>Clackamas County Social Services</b>	99 day average
<b>Community Connect on NE Oregon (Baker, Grant, Union &amp; Wallowa Counties)</b>	37 day average
<b>Community Services Consortium (Benton, Lincoln &amp; Linn Counties)</b>	51 days average



<b>Klamath/Lake Community Action (Klamath &amp; Lake Counties)</b>	33 day average
<b>Lane County</b>	55 day average
<b>Mid-Columbia Housing Authority (Hood River, Sherman &amp; Wasco Counties)</b>	32 day average
<b>Multnomah County</b>	70 day average
<b>Mid-Willamette Valley Community Action (Marion &amp; Polk Counties)</b>	69 day average
<b>Neighbor Impact (Crook, Deschutes &amp; Jefferson Counties)</b>	52 day average
<b>Oregon Coast Community Action (Coos &amp; Curry Counties)</b>	96 day average
<b>Public Partnerships LLC (Washington, Clackamas, &amp; Multnomah Counties)</b>	32 day average
<b>United Community Action (Douglas &amp; Josephine)</b>	48 day average
<b>Yamhill Community Action Partnership</b>	51 day average

The above numbers are based on the applications that have been received and paid to landlords or tenants to date. The dates vary for each payment, and households may receive different payments, like rent or utilities, at different times. This data is based on the date the household submitted their application and the date the application was paid.

Based on processing benchmarks and existing applications, we estimate that no application will be older than 60 days (90 days in Multnomah County) within 10-13 weeks. This time estimate includes applications that are not currently beyond 60/90 days but will be beyond that time period within the next 10 weeks.

### **Holding Local Program Administrators (LPAs) Accountable**

Chair Fahey asked an important question about holding LPAs accountable. OHCS set application processing benchmarks in our grant agreements with LPAs who are acting as subgrantees to OHCS for this program. If a local program administrator does not meet benchmarks, OHCS may pursue a number of remedies, including performance improvement plans; reallocating funds from grantees and seeking another entity to perform the work. The agreement language is below, and we are working with the Department of Justice to understand enforcement pathways. We've recently updated the contractual agreement to incorporate the new U.S. Treasury flexibilities and emphasize the requirement to use them to expedite processing.

#### **8.1.1. Minimum Spending Target.**

*Subgrantee has committed to certain spending targets in its time-bound expenditure plan, as approved by and on file with Agency. Notably, and at a minimum, Subgrantee's spending targets are the following:*

- *By September 30, 2021 (as may be extended pursuant to updates by U.S. Treasury), at least 65% of the funding must be spent.*
- *By September 30, 2022, all 100% of the funding must be spent*

OHCS continues to meet regularly and recurringly with key network partners, including the Community Action Partnership of Oregon, to discuss processing rates and barriers to expediting applications/payments. With the real time data available to us for the first time via the software system, we have a first-look at how many applications are in each program



administrator's queue and how long they are standing in any particular status. Direct meetings between OHCS leadership and Executive Directors/program staff of program administrators have been fruitful in reducing barriers, supporting the use of flexibilities and allowables, and continuing to set the expectations around processing time. Connecting with the local program administrators in partnership as we navigate these uncharted waters together has proven most useful and successful in increasing productivity and accountability over the last few months.

### Eviction Prevention

Oregon needs all hands-on deck to prevent the potential wave of evictions. OHCS and our partners have rapidly deployed emergency rental assistance since the start of the pandemic in 2020 across multiple programs. Even still, rental assistance alone will not be sufficient to address the potential crisis we will face due both to the [scale of need that presented in such a short time](#), and the fact that rental assistance alone is not the only strategy that will prevent evictions. We need creative solutions that involve not just administration of rental assistance, but also legal assistance, public awareness campaigns for tenants and landlords, and involvement of the courts, housing counseling agencies and culturally specific community-based organizations to connect tenants to appropriate services and supports.

We also need housing providers to be part of the solution. Renters are much more likely to receive OERAP assistance if they remain in their homes (meaning landlords are also more likely to receive past due arrearages and future rents needed to sustain their residences). As is [well documented and researched](#), evictions are more than just traumatizing for families, they are also very costly to public systems. We are asking landlords to keep both these facts in mind as we do everything in our power to expedite rental assistance payments. OHCS and our partners understand what this means for housing providers, and we are committed to continuing to expedite rental assistance in a manner that maintains federal requirements and an equity lens, and further serves Oregonians in need.

OHCS is working with Governor Brown's office to bolster 211Info as the main connection point for renters facing eviction statewide, as well as engage community-based organizations on a new eviction prevention strategy. U.S. Treasury allows non-profits to distribute funds to households immediately at risk of eviction without determining eligibility first. We have yet to identify a partner in this work. OHCS alone cannot prevent evictions, and we were committed to working in partnership to prevent homelessness.

### Landlord Compensation Fund

Chair Fahey asked a few questions about the Landlord Compensation Fund, two of which we have additional information to share. The first question was: What is the timeline for Public Housing Authorities to finish distributing round three payments and, the second question was: What lessons did OHCS learn from this program as it relates to quickly distributing assistance





and potential barriers to accessing assistance? To address the first question, the final round of the Landlord Compensation Fund closed for applications in late June. OHCS processed applications and sent grant agreements to landlords for their signature. As signatures were returned, completed applications were sent to PHAs in waves for ownership verification and funding distribution. OHCS gave landlords ample time (until July 21) to sign their grant agreements and sent the final batch of on-time applications to PHAS on July 30. By September 30, 60 days later, we expected all initial payments to be distributed to those on-time applications with which ownership and banking information (where applicable) was able to be verified. Currently, Douglas Housing Authority, Home Forward (Multnomah County), Homes for Good (Lane County), Housing Works (Central Oregon), Linn Benton Housing Authority, Mid-Columbia Housing Authority, Salem Housing Authority, Washington County Housing Authority, and West Valley Housing Authority have a portion of their funds left to distribute ([more information here](#)).

To address Chair Fahey's second question about lessons learned, the answer includes many factors. While we certainly saw efficiencies in receiving applications from landlords on behalf of many tenants, the requirements for a Landlord Compensation Fund application were burdensome for landlords when scoring criteria were required. The limited documents from tenants, and the lack of tenant income requirements, allowed landlords to apply on behalf of many tenants, likely some that would have been unaware of rental assistance programs. However, the requirement to upload scorable rent rolls for the scoring scheme outlined in HB 4401 (3<sup>rd</sup> Special Session) resulted in the application being too intensive for landlord applicants. It was determined that because funding was sufficient in rounds one and two, scoring was no longer needed for subsequent rounds. Accordingly, the requirement to upload a scorable rent roll was removed for the third round of the program, however a rent roll (in whatever format a landlord had) was required to verify rents, debts, and basic tenant information. After this change, applicants reported that applying was easier and faster, but data was less consistent and more challenging for OHCS to verify.

Distributing the funds with a consistent cadence across the state was a challenge. This was for a variety of reasons, including volume but also the quality of application, and the ability to verify basic program requirements given the limited information collected. While our PHA partners were incredible to work with and were critical in verifying property ownership, having a centralized payment process would have likely made the funding distribution process and timing more consistent.

The Landlord Compensation Fund certainly had its challenges, but there were many successes to be proud of, including successfully serving nearly 5,500 landlords and thus providing rent assistance to more than 23,000 tenants. OHCS anticipates that the program's reach could have been greater with more time to design the program and conduct outreach, and through more partnerships with organizations on the ground that could help landlords apply. More takeaways are included in the HB 4401 Legislative Report submitted to both committees on September 15<sup>th</sup>.



OHCS and our partners have allocated more rental assistance this calendar year than in the previous decade. In total, since the beginning of this year, more than \$295 million in rental assistance has been approved and \$227.7 million distributed. Oregon is a national leader, [8<sup>th</sup> in the nation](#), in the distribution of ERA. While there is additional rental assistance available, OERAP funds may be depleted as soon as 3-6 weeks from now and [OHCS has requested more funds from U.S. Treasury](#). At the same time, we have a growing concern about the [risk of evictions](#). The next few weeks will be pivotal for Oregon renters. OHCS will stay in touch.