



**OREGON HOUSING *and*
COMMUNITY SERVICES**

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

December 12, 2021

RE: Needs to Protect Renters – More Time and More Assistance

Co-Chairs Beyer and Fahey, Co-Vice Chairs Knopp and Wallan, and Members of the Joint Interim Committee on the 2nd Special Session of 2021:

We are very grateful that the Governor and Legislature have come together to find solutions to keep our friends and neighbors housed. We know so many landlords and tenants have struggled through the pandemic, and the road to recovery is long. When we last addressed legislators in November, I started my testimony with three key points. I will repeat them here for you today:

1. **More rental assistance is needed.** Based on current trends, we know that thousands of Oregonians need emergency rental assistance but have not yet applied. We must also think about Oregonians we haven't yet reached. Though we will prioritize applications already received, we know there are Oregonians in need who did not apply for the statewide Oregon Emergency Rental Assistance Program (OERAP) resources before the pause on new applications took effect on December 1st. While there are several local rental assistance programs operating in Oregon, including jurisdictions that received their own direct federal Emergency Rental Assistance (ERA) allocations, we know that the single "front door" to access our program was a gamechanger for many. However, despite ongoing investments, emergency rental assistance programs are unlikely to reach all in need.
2. **OERAP is the most effective rental assistance program in Oregon history in both scale and speed.** There has been a lot of discussion on this program, so I want to take a moment to share some facts for the record. It's been eight months since the launch of the federal Emergency Rental Assistance (OERAP) Program, and as of Friday December 10, more than \$181 million has been paid to almost 25,000 households (an [OERAP data dashboard](#) update is underway with the goal of posting before Monday afternoon). For comparison, in 2020, the state allocated roughly \$80M in rental assistance in 7 months. Within that same time frame this year, we have more than doubled the amount of funds paid out to landlords on behalf of their tenants in need. Through OERAP, more rental assistance was delivered in the past two weeks than was delivered in all of 2019. The reach and speed of OERAP is simply staggering, and it continues to grow with more than \$11M distributed between Wednesday and Friday last week. We should be proud that Oregon is a national leader: just five states have delivered funds faster than Oregon – a testament to what we can accomplish when we all work together. What's more, OERAP is not the only assistance landlords have received this year. During the December 2020 Special Session, the Legislature allocated \$200 million in rental assistance: \$50 million through the STARR program using the traditional rental assistance system, and another \$150 million delivered through the Landlord Compensation Fund. All told, our state administered programs have delivered an astonishing \$381M to Oregon landlords in 2021.



3. Despite these successes, we know **eviction risk is real for too many families**. As you heard from renters directly yesterday, the looming fear of eviction is devastating. The anxiety of a 60-day clock hanging over the heads of tenants in need has taken a toll. Like you, we were moved by this testimony and will be following up with tenants. This limited emergency short-term federal program alone, however, was not designed to and cannot solve Oregon's eviction risk. The fundamental misalignment of the state's existing safe harbor period with the complexity and demand of OERAP has been brought to light, and too many Oregonians are waiting for assistance. We are pulling out all the stops to deliver funds even faster. However, Oregon lacks a robust policy or infrastructure to prevent evictions statewide and at scale. Rental assistance cannot prevent every eviction without a solid policy infrastructure, and without long-term planning we fear we are simply kicking the can down the road.

These key points are still true, and they're why we're here today. Thankfully, some of these issues can be resolved during Monday's special session. We ask you to:

- Invest more in the Oregon Emergency Rental Assistance Program to ensure all current applications are funded, and to allow new OERAP applications to be accepted in mid-January
- Extend Oregon's safe harbor period to ensure tenants can remain stably housed when application processing continues, and provide a longer eviction notice time to tenants so they can apply for assistance
- Invest in locally driven eviction prevention programs and ensure robust program evaluation to make highest and best use of public funds

Oregon Emergency Rental Assistance Program Status Report

OHCS has taken an "all hands on deck" approach to increasing application processing speeds. Many states are running the two waves of the federal ERA program sequentially. In Oregon, ERA waves 1 and 2 are running concurrently, meaning that local program administrators and Public Partnerships LLC (PPL) are processing applications at the same time. This will prevent loss of processing capacity and has contributed to the current record-breaking week of payments out the door.

Public Partnerships LLC (PPL)

PPL has dramatically increased staffing capacity over the course of the last 3 months. They began with 60 processors in mid-August when they received the initial 8,000 application batch in areas of the state where need exceeded local capacity, and currently have 257 staff dedicated to our program as they have expanded their scope to support processing statewide. Over the last month, as they have begun the transition to ERA 2, they have continued to staff up and plan to onboard another 30 processors shortly.

PPL is increasing their processing goals as new staff come online. PPL will process more 1,000 applications per week and will look to exceed that benchmark as they fully onboard staff for the transition from supporting ERA1 to processing ERA2. Last week, PPL paid 1,569 applications and distributed \$11M in assistance. I know you are hearing from some who are trying to pit local program administrators and PPL against each other. That is a false narrative. All parties are contributing to the program, and we are grateful that we have been able to add PPL as additional capacity to expedite applications.



Other Processing Support

We're also very grateful that high-performing local program administrators are assisting others as they wrap up their ERA1 funds quickly. Mid-Willamette Valley Community Action Agency began supporting processing for other local program administrators across the state.

Additional Information on OERAP

Prior to launching OERAP, the [Oregon Housing Stability Council](#) convened the Federal Rental Assistance Subcommittee to help the agency make key program decisions, and to provide a public audience for these conversations. OHCS has provided numerous updates to legislative committees and weekly progress reports to legislators, stakeholders, and the [media](#). The October joint meeting of the House Housing and Senate Housing and Development Committees included a broad program overview, [meeting materials](#) included an overview presentation, a COVID-19 rental assistance timeline, information on eviction risk and the landscape in October, the OHCS appeal to U.S. Treasury for additional resources, and a detailed follow up memo answering committee member questions. OHCS reported program updates to the Senate Committee on Housing and Development during November Legislative Days, [meeting materials](#) included a presentation, updated information on Oregon's eviction risk and landscape, and the November 15th weekly update to legislators. The December 6th weekly update has been submitted to OLIS for this committee, and OHCS staff will share the latest program update with legislators on December 13th. PPL has also submitted a [program update](#) for this committee. The use of statewide application technology has allowed OHCS to create unprecedented reporting and transparency on the program, including information on the state safe harbor period. Please visit [the public OERAP data dashboard](#) for more information.

Navigating Uncharted Waters

A program of this magnitude and complexity brings with it challenges. Additional legislative action is needed to support Oregon's most vulnerable renters through the winter months. We urge you to extend the state's safe harbor period and allocate more assistance resources for Oregon renters.

Despite the progress we continue to make, we know applications continue to age out of their Oregon 60/90-day Safe Harbor window. OERAP was designed to meet the requirements of US Congress and US Treasury, including an emphasis on paying rental arrearages back to May 2020; it was not designed to align with SB 282, which created pressure on the payment of July 2021 and forward rent. When the legislature was contemplating the safe harbor period in mid-June, more than 10,000 Oregonians had applied for assistance, many of them seeking assistance for the month of July. That figure is greater than the total number of households served by the STARR rental assistance program from January-June. OERAP and OHCS did not have the infrastructure to serve that many tenants at the same time, as this was not the intention or program design for OERAP. In response to this need, OHCS added 40 staff to support local program administrators (LPAs) in processing their applications. In August, when we saw that LPAs had not increased their processing sufficiently, due to labor shortages, challenges with technology and other issues, OHCS contracted with PPL to help – specifically to process approximately 8,000 applications untouched in areas of high need. This fall, we expanded PPL's work after witnessing the firm's ability to meet set benchmarks. Unfortunately, not all of our LPAs have been able to meet the benchmarks that they agreed to in August.



We have overlaid state policy on this federal program but processing the number of submitted applications within the state Safe Harbor window continues to be a challenge. We were supportive of the concept of a Safe Harbor period but given the volume of applications and the fact that the application intake has not slowed down as we expected, we, LPAs and advocates were overly optimistic to believe that the 60-day time frame would be sufficient in every Oregon community. The volume of applications is too great, and the federal application processing requirements too stringent. We remain concerned about Oregonians awaiting help, and we remain focused on providing assistance to those in need. As we've said since October, tenants need more time.

Application Enhancements

OHCS worked with service providers, tenant organizations, landlord organizations, and advocates to gather feedback on the OERAP application. Based on this feedback, we are making several improvements to the online system that we expect to have in place when the program re-opens in mid-January 2022.

- Revision of the Landlord Contact Information section of the application on the back end, so it will be easier to use and will lead to more accurate information in the system.
- Clarification of Landlord Participation Request/Payment Approved email notification language so landlords have clear confirmation that their tenant has been approved for assistance and their program participation is required. This enhancement is now live.
- Embedded Income Self-Verification form in the application, instead of requiring tenants to upload a separate signed document. This change is in progress.
- Streamlined COVID Impact Question to simplify how tenants can declare they have been impacted. This change is in progress.

Outreach Improvements

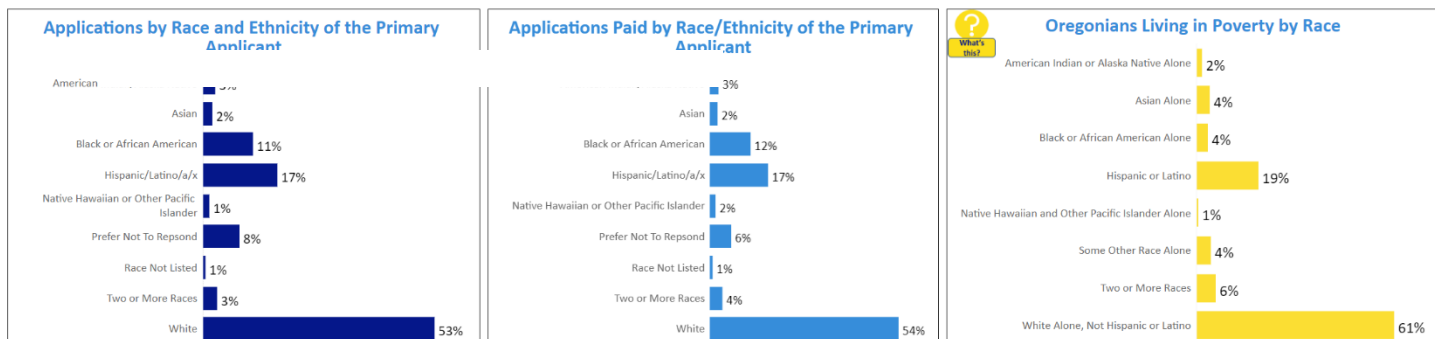
OHCS launched OERAP on May 19th. We initially partnered with Community Action Agencies, Public Housing Authorities, other state agencies, school districts, libraries, local governments, tenant and landlord organizations, and a network of over 250 organizations to get the word out with a communications tool kit available in five of the top spoken languages (English, Spanish, Chinese, Russian, and Vietnamese) through a partnership with the Oregon Health Authority. OHCS ran social media ads as part of the program rollout. The Oregon Health Authority included OERAP information in back-to-school packets in twelve languages sent to tens of thousands of households across the state that may not have internet access.

The agency heard a lot of good ideas about outreach and making it easier for tenants to learn about and apply for assistance. We know that the effects of the COVID-19 pandemic, and the ongoing state housing crisis that preceded it, is not felt across communities equally. With OERAP, it is important to note that we have reached more tenants – more quickly – than ever before. The rapid oversubscription of this program is a testament to that. We have heard concerns that we didn't sufficiently reach BIPOC community members; the good news is that we have access to real time data demonstrating the program's impact on Black and Indigenous communities. We most certainly have work to do to better reach Asian Pacific Islander and Latinx communities, and we have plans to build on our current partnerships with culturally specific organizations as detailed below. We are dedicated to improving community engagement to avoid the inequitable emergency responses of the past. The application improvements we are making, described above, will also help reach tenants where they are.



OHCS Support for LCs 6 & 9 and OERAP Information – December 12, 2021

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 have also been promoting the program in their communities.



As detailed above, OHCS has made progress in reaching Oregon's diverse communities. Since launch, we have expanded partnerships with community organizations to help tenants complete applications and will ensure more organizations have resources to support renters in their community and that resources are reach more Oregonians equitably.

Customer Service Status & Improvements

At the hearing on 12/11, we heard heart-wrenching stories of tenants waiting for an update on their application status. We know landlords are anxious as well. We understand the frustrations with customer service for this program and are working to address the concerns raised by renters and landlords. While PPL has phone and email contact with tenants and landlords, we recognize that its existing capacity may be outstripped by the need for timely information and will be working with our vendor to address this.

For example, there was a minor check printing error that impacted some recipients, through all checks could be cashed, PPL called all impacted parties to help resolve the issue. We deeply regret any inconvenience caused to tenants or landlords. While this is almost resolved, those affected by this issue can call 844-378-2931 or email oregonera@pcgus.com. If you have any questions about this, please reach out to OHCS or Justen Rainey representing PPL at justenr@pacounsel.com.

OHCS is currently negotiating a contract to create a centralized call center for OERAP, and we are grateful for the additional resources to accomplish this in the housing package. We hope this can address the confusion for tenants and landlords about application status. OHCS will have more to share about this new program feature in the coming weeks. Additionally, OHCS, in coordination with legislative leadership, worked with landlord associations on several system enhancements to improve the user experience and transparency. Not every requested modification was possible within the federal requirements, administration budget, timeline constraints, and the need to prioritize processing speed for this program.



OERAP Challenges & Timelines

The federal Emergency Rental Assistance (ERA) Program is at a scale never seen before. For comparison, the Oregon Emergency Rental Assistance Program (OERAP) operates at the same scale as the state's Section 8 Housing Choice Voucher program, established over the course of decades, not months. For the first time in its history, the agency took a centralized approach, though processing of applications remained decentralized with community organizations, with an online application. This offered Oregon's tenants a single door to apply assistance under OERAP. This single, open-door approach revealed the true depth of the need across the state, and that need overwhelmed local program administrators at program launch. As application intake did not slow, OHCS was required to enact many interventions.

Program Interventions

To expedite the delivery of rental assistance, OHCS took advantage of key flexibilities provided by U.S. Treasury and continued to update our program guidance as our federal funder offered new ideas and best practices. In June, we added 40 processing staff to support local program administrators. In July, with concerns about incomplete applications, we hired 20 staff to work with tenants to help them complete their applications and access eviction prevention support. In August, OHCS hired PPL with a staff of 60 assigned to process aging applications untouched by program administrators.

This work has continued through the Fall. PPL has dramatically increased their staffing, with more than 250 staff currently processing applications. PPL is adding dozens – more staff in the coming weeks. In the last few months, OHCS expanded partnerships with eviction prevention programs to help identify tenants most in need and ensure those applications are paid expeditiously. We've expanded our partnerships with community-based organizations to make program improvements. OHCS remains committed to nimbly addressing issues as they arise.

We are proud that Oregon is a national leader in distributing federal Emergency Rental Assistance (ERA) resources, consistently ranking in the top 10 according to [the National Low Income Housing Coalition](#). The delivery of more than \$181 million rental assistance in 8 months can be attributed to the intentionality of program design and numerous mid-stream interventions that OHCS has taken to improve the program.

Spending Down ERA Funds (Federal and State Allocations)

In our discussions and contract negotiations with PPL, we have commitments that they will 1) complete processing of all federal ERA2 dollars (and any remaining ERA1 funds) by the end of March 2022, well ahead of the federal deadline for ERA2 of September 2025. When we asked for PPL to project how quickly they could process applications with varying funding levels, they reported with confidence that they could fully deploy \$100 million in additional OERAP resources – what we are calling ERA3 – by the end of June 2022.

Several factors could complicate this timeline. First, any program revisions or adjustments will delay the agency's ability to begin accepting new applications again in mid-January (this includes changes to the 80% area median income eligibility). We do not believe this is the time for program redesign as the program will end this summer. Additionally, any new email notification requirements or changes to the OERAP portal will take weeks to implement and test for system integration.



Staffing Needs: Permanent Staffing for Eviction Prevention Planning & Procurement

We currently lack adequate staff expertise to ensure the eviction prevention planning work will successfully address the needs of the state. Additionally, due to dramatic increases in program resources (more than double last biennium), OHCS procurement team has an unsustainable workload. To meet the needs of the \$215M package, OHCS procurement team will need additional support given the magnitude of emergency response programs we are administering (related to COVID recovery and wildfire). OHCS is requesting positions through this package to address these concerns, though the Fiscal Impact Statement for LC6 has not been requested yet.

Securing these positions is vital to meeting timelines. If positions are not approved this special session, and instead are approved during the 2022 regular session, OHCS cannot begin the hiring process until March as position authority is required to hire staff. This would delay projected timelines by three months. Additionally, the labor shortage has been far-reaching, and OHCS has not been immune. If these staff positions remain limited duration, we fear that we will be unable to attract the critical talent to do this work. As we continue to respond to concurrent crises, the necessary state infrastructure will require ongoing staff to help Oregon build an equitable recovery.

Preventing Attempted Fraud

OHCS continues to offer transparency on issues we face. To that end, we want to elevate a trend we are seeing across the nation. As [previously reported](#), OHCS, and other states around the country, are detecting an increased number of suspicious online applications. Government agencies are particularly vulnerable to scammers, and this has been especially true during the pandemic. The suspicious applications are leading to a higher requested figure. While we have taken numerous steps to protect the system, this program is not immune to attempted criminal activity. To ensure suspicious applications are correctly identified and removed from processing queues, OHCS has taken the following actions:

- Advised processors on key traits of suspicious applications and provided guidance for how to flag suspicious applications
- Utilized algorithms on OERAP data to help flag application with suspicious traits for additional review
- Coordinated with other states that are experiencing similar issues as we see suspicious activity occurring nationwide

To date, OHCS has verified that, together with local program administrators (LPAs), at least \$36 million in suspicious OERAP applications have been stopped. Both OHCS and LPAs take rigorous action prior to paying applications to identify and prevent fraud before it is perpetrated. This includes identifying “bot” activity through algorithms, applying regular security updates to the online application, and overseeing a stringent, human-led multi-step application review process through direct communication with landlords and tenants.

Both OHCS and LPAs immediately remove any suspicious application from the queue to be investigated. These efforts are coordinated with the software vendor, OHCS, LPAs, and PPL. As both OHCS and LPAs process more applications, they will likely stop more suspicious applications from being paid. To date, the agency is investigating a handful of applications it believes were paid but could have potentially been fraud and follows standard auditing processes for administering government programs. The agency is also working with Oregon Department of Justice and other states to implement best practices. The systems in place are working, but they do add time to application processing as we



steward public funds. If a person has information about criminal or fraudulent activity related to OERAP, they should report it as soon as possible to OHCS at opera.fraud@hcs.oregon.gov.

Support for the Housing Package LC 6 & LC 9

We are grateful that the package under consideration will address the ongoing misalignment between the federal program and the state 60-day safe harbor policy, as well as the incredible ongoing need for assistance in Oregon. We hope you take this opportunity to address the enduring mismatch between the federal program regulations, volume of need, and the state 60-day safe harbor policy. The federal requirements for this program are complex, audits are certain, and the agency received an unprecedented level of resource to deliver in a severely truncated timeline. Even with the program interventions, the 60-day window to process the initial deluge of applications, and persistent rate of application submission, thereafter, was a herculean task.

OHCS cannot understate our concern for the impact of evictions on Oregonians, their families, and their communities. These evictions come with steep costs, the greatest of which is the trauma families experience from housing instability and homelessness, particularly as Oregon's shelter system is insufficient to shelter half of the people currently experiencing homelessness. One eviction has a ripple effect and lasting, traumatic impacts on people impacted. Evictions impact the ability of students to thrive in school, the health of seniors, the overall economic and employment recovery from COVID-19, and the overall well-being of our communities.

The ongoing need for assistance, driven by our state's longstanding housing crisis, is profound. We recognize that the availability of federal emergency rental assistance at the current scale is unlikely to continue beyond 2021. We are heartened by the bipartisan deal before you that includes three key components: 1) dedicating additional state resources to this program, \$100M, 2) resources for program improvements, \$5M, and 3) eviction prevention programs and planning to better support Oregon's social safety net system, \$100M. This emergency has exposed the need for long-term, locally driven eviction prevention programs and LC 6 includes resources to address this long-standing problem.

Expectation Setting

OHCS has seen exponential growth for multiple years in a row. Program funding for OHCS has increased by more than \$1 billion since the start of the COVID-19 pandemic, more than double what was in the 2019-21 Adopted Budget. This dramatic of growth comes with administrative challenges, especially given the emergency nature of new or expanded federal programs and the desire to get resources to those in need as quickly as possible while building equitable practices in program delivery. In the last year, OHCS is implementing the new ERA program, the new Homeownership Assistance Fund program, the new Low-Income Water Assistance Program, the expanded Low-Income Home Energy Assistance Program, and the complex and highly regulated, federal Community Development Block Grant-Disaster Recovery program. This excludes new state programs established in the last year. This new work is additive to the historic awards to develop affordable housing, with more contracts moving through the Oregon Department of Justice for legal review than any other point in the agency's history.



This workload strains processes and systems established within state government. To be clear, there is good reason for stringent procurement, human resources (intensive review of position descriptions are required before a job can be posted, ability to double fill positions removed), technology, and legal review requirements to appropriately steward public funds, ensure fairness in hiring, and protect Oregonians personal information. However, these systems do not lend themselves to expediency and, when administering emergency programs, there is a mismatch in legal requirements and public needs and expectations. There are existing backloads with procurement and DOJ that must be remedied with staffing (including job rotations to immediately bring experienced staff on board) to ensure we can meet the needs of Oregonians.

While we feel confident in the rental assistance timeline of distributing federal ERA by March 2022 and state funds by June 2022, the timeline for distributing eviction planning grants will be greatly impacted by the staffing and job rotations we receive. Should LC 6 and 9 pass, OHCS will begin updating existing contracts to provide additional resources to our established partners. By Friday, we anticipate sharing allocation totals with Community Action Agencies so they can begin their work. OHCS must create program elements, amend grant agreements, move that work through legal review, and sign new contracts with our partners. This takes more time than we would like. If additional procurement staff start this month, we anticipate that we can begin signing updated or new grant agreements in January and February. Please note that this timeline does not allow for robust stakeholder engagement.

In the Spring, additional efforts will be underway to ensure eviction prevention resources will be available after the expiration of the new safe harbor period proposed in LC 9. Through Spring and Summer of 2022, local planning will occur that will allow funds to reach established, quality eviction prevention programs that include community collaboration. OHCS will work with researchers to evaluate these programs, with the goal of informing policymaking during the 2023 legislative session. **Please note these timelines are dependent on OHCS ability to hire and retain qualified staff, as noted above, additional stakeholder engagement may impact this timeline and plan.**

Thank you again for the opportunity to address you yesterday and for your partnership on these solutions. We are happy to answer any questions that we did not address here.

