



**OREGON HOUSING** *and*  
**COMMUNITY SERVICES**

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June 3, 2022

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

**Re: Follow Up Information on the OHCS Presentation**

Dear Chair Jama, Vice-Chair Anderson, and Members of the Senate Interim Committee on Housing and Development:

We at Oregon Housing and Community Services (OHCS) are grateful for the continued partnership with the Oregon Legislature. Thank you for your time yesterday and for your thoughtful questions. To provide additional information beyond our responses in the hearing, you will find written follow-up responses below.

**Senator Golden: Are the spend down deadlines federally driven or have we self-imposed them?**

The federal deadline to spend down Emergency Rental Assistance Wave 1 funds (ERA1) is September 30, 2022; Emergency Rental Assistance wave 2 (ERA2) is September 30, 2025. OHCS will meet both federal deadlines. State General Funds received this biennium have a spending deadline of June 30, 2023, in alignment with the end of the fiscal biennium.

The spenddown targets reflected in our Senate Housing and Development Committee presentation are deadlines requested by the Oregon Legislature, based on trends and in coordination with state tenant protection overlays. OHCS was asked to commit to spenddown timelines during the December 2021 Special Session. OHCS met the March 2022 deadline for the initial \$289M total ERA1 and ERA2 funds. We expect to meet the June 2022 deadline for the \$100M in General Fund resources allocated during the 2021 December Special Legislative Session.

OHCS will work to distribute all remaining reallocated ERA funds, repurposed Housing Stability Services dollars, and recaptured ERA resources before the September 2022 federal deadline. Please note that U.S. Treasury may undergo additional ERA reallocations from low performing grantees. As OHCS is a top performer and has requested additional assistance, Oregon is likely to be on the receiving end *if* reallocations occur.

**Senator Golden: Do you anticipate spending in a less than optimal manner to meet the imposed deadlines?**

OHCS and our partners are careful stewards of public funds, and our work to administer the Oregon Emergency Rental Assistance Program has been no exception. The agency has shared the Legislature and stakeholders' sense of urgency and have been focused on getting funds out to Oregonians in need as quickly as possible to meet the immense need we have seen in every corner of the state. And yet, we



have remained committed to continual process improvements. Just some of the improvements that have increased both efficiency and service delivery have included:

- Centralizing the rental assistance system, which allowed for both additional staffing and a singular entry point and process for all Oregonians, was a major factor in processing applications more quickly and effectively. During the height of the program, Public Partnerships LLC (PPL) had more staff supporting OERAP than the totality of OHCS agency staff.
- Streamlining application features to allow for ease of use. Some of the changes we have implemented since January include:
  - Embedding the Income Self-Verification form in the application, instead of requiring tenants to upload a separate signed document.
  - Simplifying the COVID Impact Question to better allow tenants to declare they have been impacted.
- Working to implement language access measures throughout the program, including:
  - The OERAP application which was made available, both in paper form and digitally, in the 5 most commonly spoken languages in Oregon
  - Over 240 language options available in PPL's work to process applications
  - Conducting a plain language review of the OERAP application to ensure it was more accessible
  - Disseminating informational videos and website content translated into multiple languages
  - Partnering with community-based organizations like IRCO and OHDC to increase outreach and support to communities disproportionately impacted by housing instability

**Senator Golden: I can see where some of the Community Action Agencies (CAAs) have not been able to spend down funds. Does this have to do with internal organizational constraints?**

There is profound and ongoing need for rental assistance across the state, which is why OHCS continues to prioritize mechanisms that will get resources in the hands of Oregonians in need the fastest. Operating a program of this scale, complexity, and necessary speed of delivery was new for OHCS, as well as our partners who traditionally administer these types of resources to communities statewide. Community Action Agencies serve Oregonians across the state and differ in composition and areas of expertise depending on local needs. Early in the life of this program, the urgent need for these resources outstripped our systems' capacity to deliver them. As described in our interventions above, when the Agency encountered barriers to delivering emergency rental assistance resources in a timely manner, steps were taken to boost application intake, processing, and disbursement of assistance payments. It's also important to note that CAAs are currently delivering many other assistance programs, both longstanding and newer programs established in response to the economic impact of COVID-19. This includes Oregon Eviction Diversion and Prevention (ORE-DAP) program, Low Income Water Assistance Program, Out of the Cold, and others.

Finally, we will note that recapturing funds is a standard practice and is something both the state and community action agencies are well accustomed to as a part of our grant agreements.

**Senator Golden:** When I see the graphics about the number of people served at 50% or less AMI, that makes me proud, and makes me wonder how we sustain this effort over time. We thought of this program as covid-related, but we have more structural economic problems that won't go away.

We agree wholeheartedly. The need for rental assistance will not end when the resources have been depleted, despite Oregon's successful efforts to provide relief to Oregonians during the pandemic. As we heard from the Oregon Office of Economic Analysis during the state Revenue Forecast, the robust COVID economic recovery has left many of the most vulnerable Oregonians behind. The housing crisis did not begin with COVID, and will take concerted, coordinated, and well-resourced efforts to address adequately. We look forward to working in partnership with the Legislature on long term solutions and immediate needs to address the humanitarian crisis of housing instability and homelessness.

**Vice-Chair Anderson:** What has the involvement of landlords in the program looked like?

While the agency has cited the astonishing number of 55,565 tenant households served to date, each of those households represents a landlord served as well. As we have noted, OHCS has been focused on getting funds out to Oregonians as quickly as possible and while still committing to continual process improvements, including improving communication with and processes for Oregon landlords. Some of those shifts include:

- OHCS implemented a landlord call center to provide additional support for Oregon landlords in navigating the application and payment processes
- Working with landlord organizations, service providers, tenant organizations, and advocates to gather feedback on the OERAP application. Based on this feedback, we are made improvements to the online system that were implemented upon the re-opening of the portal in January.
- Implementing a landlord notification system, per SB 891, to notify landlords of the final status of their tenant's OERAP application.
- Revising of the Landlord Contact Information section of the application on the back end, which made it easier to use, has led to more accurate information in the system, and reduces communication to clarify information.
- Clarifying 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.

**Vice-Chair Anderson:** Is there follow-up with tenants who received funding to see if they remained in their homes?

The recertification process has confirmed that there is still significant need from individuals who have applied for and received support through OERAP and other local rental assistance programs. We've known that despite these historic levels of resources, they would still not meet the great need across the state as Oregonians struggle to recover from the pandemic. That is why OHCS has carefully targeted resources to the most vulnerable households and has requested additional reallocated ERA2 funds from other states.

OHCS is still actively administering the OERAP program, and will be as we work to meet our spending goals of June 30 for state funds and September 30 for remaining federal funds. Our staff and contracting capacity is— and will remain— fully focused on continuing to serve Oregonians with these funds until the end of the program. Because we have remained laser-focused on active program administration, OHCS has not conducted follow up with tenants who have received support from the program.

It's important to note that this program was designed by Congress and U.S. Treasury as a crisis response effort, and not a long-standing program. OHCS was not provided sufficient administrative resources to do meaningful casework follow up with recipients once the program formally closes. OHCS does not



have the staffing or systems capacity to contact the more than 55,000 tenant households to assess their current living situation, nor provide the level of support that would be required to truly address the needs they may articulate. Furthermore, as we seek to incorporate a trauma-informed lens in our work, we have concerns in asking questions of tenants regarding their needs, and potentially traumatic experiences, when state systems are not fully equipped to actually meet those needs. The off-ramp resources funded by the Oregon Legislature will allow more direct casework with tenants and include program evaluation by the Portland State University Homeless Action Research Center.

**Vice-Chair Anderson: We had numerous conversations about what is a target eviction level because we know that some level of eviction is inevitable. Have we come to some standard of expectation of what it should level out to?**

Any preventable loss of housing is unacceptable. The personal trauma experienced by an individual coupled with the barriers that eviction can create to future housing *must* be avoided wherever possible. OHCS' role in that effort, beyond the delivery of rental assistance resources and eviction prevention funds, is limited. The Agency is not well positioned to speak to an appropriate level of evictions to expect. We often rely on partners like the Oregon Law Center who have recently begun real-time tracking of eviction filings across the state.

**Chair Jama: What is OHCS doing to address evictions?**

The Legislature successfully anticipated the ongoing needs of Oregonians in crafting an off-ramp from emergency rental assistance funding by granting OHCS an additional \$100 million in Eviction Prevention funding for further services. Not all states have established such programs, and Oregon is seeing the benefits. Your action to extend the safe harbor period and deploy historic levels of resources is working. Right now, Eviction Prevention funds are being distributed, and OHCS and our partners remain hard at work to ensure Oregonians have access to individualized supports through a combination of rental assistance, case management, mediation services, and legal services. OHCS is also working to be strategic in our program decisions to make both OERAP and Eviction Prevention funding stretch further.

While the number of eviction cases are only one set of data that reflect a complex and ever-changing landscape of housing needs, it is critical we note that because of the work of the Legislature, the state, and partners across Oregon, eviction rates —while rising— are still lower now than they were at pre-pandemic levels in 2019. While we anticipate eviction numbers may increase over the summer and into the fall, we will continue to work to stand up and strengthen our systems to keep as many Oregonians as possible housed.

**Senator Girod: System development charges (SDCs) are also a burden on new development. The state has taken a role in improving infrastructure so could something happen in that arena as well to incentivize development?**

In the 2021 session, the Legislature passed [HB 3040](#), requiring OHCS to conduct a comprehensive study on system development charges. This important work continues in earnest as we engage a broad stakeholder landscape for input. The deadline to submit the final study to the Legislature was extended to December 15, 2022 in [HB 4014](#) (2022). OHCS via our contractor ECONorthwest is undergoing engagement with counties, cities, special districts, and other key stakeholders. We look forward to sharing the findings with this committee.



**Senator Girod: Could we make tax credits available to incentivize the development of affordable housing for Oregonians making 80% and below of the Area Median Income?**

OHCS administers myriad [programs](#) aimed at subsidizing regulated affordable housing development (often referred to as capital “A” affordable housing). This includes state and federal tax credits, grants, and other subsidies:

State Programs

State Programs

- The **Local Innovation and Fast Track (LIFT) Rental Housing Program**'s objective is to build new affordable housing for low-income households, in particular, families. The primary goals of the LIFT Rental program are to create a large number of new affordable housing units to serve low-income Oregonian families and to serve historically underserved communities, such as rural communities and communities of color. [LIFT is a nationally celebrated program](#) and is one of the primary drivers of affordable housing developments statewide.
- The state’s **General Housing Assistance Program (GHAP)** expands the state's supply of housing for low and very low-income Oregonians. The **Agriculture Workforce Housing Tax Credit (AWHTC) Program** is designed to give a state income tax credit to investors or farmers/growers who incur costs to construct, install, acquire or rehabilitate agriculture workforce housing.
- **Permanent Supportive Housing (PSH)** provides housing stability to Oregon’s most vulnerable residents through service-enriched affordable housing. A wide body of evidence supports the use of PSH to achieve better outcomes for people and lower costs across systems including health care, criminal justice and emergency services.
- The **Oregon Affordable Housing Tax Credit (OAHTC) Program** provides a state income tax credit for affordable housing loans for which a lender reduces the interest rate by up to four percent. Applications must demonstrate a 20-year term that the benefit of the tax credit will be entirely passed on to reduce rents for the tenants.
- The **Oregon Multifamily Energy Program (OR-MEP)** allows owners and developers to use funds to increase energy efficiency in multifamily housing. Improvements include installing, energy-efficient insulation, windows, appliances, light fixtures and other energy-reducing activities. This opportunity is now open to all income-eligible developments through other OHCS funding offerings.
- The **Affordable Housing Land Acquisition Revolving Loan Program (LAP)** was created in 2017 by the Oregon legislature to assist eligible organizations in Oregon to purchase land suited for affordable housing development.
- The **Oregon Rural Rehabilitation (ORR) Loan Program** is designed to defray costs associated with building, maintaining, and rehabilitating farmworker housing. The program’s starting capital came from a transfer of funds from the Oregon Department of State Lands. The original funds were provided through the Secretary of Agriculture and designed to carry out the Bankhead-Jones Farm Tenant Act for the purpose of developing and/or preserving farmworker housing in accordance with the charter of the Oregon Rural Rehabilitation Corporation.

Federal Programs

The federal 9% and 4% Low-Income Housing Tax Credit (LIHTC) program provides tax credits for developers to; construct, rehabilitate, or acquire and rehabilitate qualified low-income rental housing.



OHCS reserves and allocates 9% and 4% tax credits on eligible properties. The department set aside a minimum of 10 percent of the credit authority for each calendar year.

The Conduit Program provides additional flexibility by using tax-exempt bond financing (through an allocation of the State's federal Private Activity Bond volume cap). Experienced affordable housing development teams maximize control by selecting the financing team and negotiate financing terms. The HOME Investment Partnerships Program provides federal funds for the development of affordable housing for low- and very low-income households, and encourages partnerships among state agencies, local governments, non-profits, and for-profit organizations.

The Housing Development Grant Program ("Trust Fund") was created to expand Oregon's housing supply for low- and very low-income families and individuals by providing funds for new construction or to acquire and/or rehabilitate existing structures.

Affordable housing requires regulation and oversight from OHCS in exchange for public subsidies. These properties usually undergo a yearly fiscal review and a site inspection every 1-3 years, pending the results of previous inspections. In exchange for accepting resources, developments enter into regulator agreements assuring homes are affordable to those earning 0-80% of the area median income, depending on the program.

Please note: rent levels are restricted based on AMI and not on an individual's income, meaning residents of regulated affordable housing may still face cost burden.

Vice-Chair Anderson: Let's not use the word housing "crisis" in housing if we're not going to act like this is a crisis. I'm disappointed at the lack of action.

OHCS recognizes that the longstanding housing crisis was not caused by the COVID-19 pandemic but was certainly magnified and highlighted by it. An adequate response will require an "all hands on deck" approach that coordinates all levels of government, development partners, lawmakers, and the private sector.

OHCS continues to ask for crisis level investments for the "A" affordable housing sector, and we need your support. Director Bell mentioned a nearly half billion-dollar investment for publicly supported affordable housing units in our 2023-25 draft Agency Request Budget. We hope to bring you a robust investment request in the next Governor's Recommended Budget.

The good news, progress has been made in the construction of publicly supported affordable housing developments. Since 2017, the state has tripled its investment in housing. In the last biennium alone, the Legislature doubled the agency's budget resources, growing from about \$620 million to more than \$1.4 billion. In 2019, OHCS set a goal of 25,000 affordably units in the 5-year Statewide Housing Plan, and we have delivered 19,000 units with a year and half remaining. This is also evident in our bond and 4% Low Income Housing Tax Credit transactions; in 2016 OHCS closed four deals, last year we closed more than 30, and we have 45 in the queue to close in 2022.

Communities across Oregon are making local investments to address housing supply and respond to the humanitarian crisis of homelessness. The Portland and Metro housing bonds are adding thousands of affordable homes to that region. However, additional state investments coupled with federal Private Activity Bond reform is needed to address this crisis, and the solutions will take many years if not decades. We are eager to continue to partner with the State Legislature and local communities on long-term solutions, no matter how long it takes.

