



**OREGON HOUSING *and*
COMMUNITY SERVICES**

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Sept. 23, 2022

Senator Kayse Jama, Chair
Senator Dick Anderson, Vice-Chair
Senate Interim Committee on Housing and Development
900 Court Street NE
Salem, OR 97301-4048

Re: Emergency Rental Assistance and Homeless Services Funding Requests

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 our continued partnership with the Oregon Legislature. Thank you for your time and thoughtful questions during yesterday's committee meeting. While we were able to respond to your questions during the hearing, we wanted to provide additional information via written responses:

Senator Anderson: How is Oregon ensuring landlords are made whole?

Throughout the COVID-19 pandemic, multiple programs have been established to ensure that tenants and their landlords receive assistance. In total, with federal and state investments in state rental assistance or landlord compensation programs, more than \$851.9M has been invested in supporting landlords and tenants since May 2020. These funds are additive to existing programs that provide rental assistance, namely the Emergency Housing Assistance Program and the federal Community Services Block Grant program.

- **COVID Rental Relief Program (CVRRP), \$77.9M:** The Legislature allocated General Fund resources to OHCS for rental assistance in response to the COVID-19 pandemic through the April 2020 and June 2020 Emergency Board meetings. Those General Fund resources were swapped with Coronavirus Relief Funds during the August 2020 Special Session, adding administrative complexities to the program. CVRRP was deployed through Community Action Agencies (CAAs) and served more than 14,600 renter households and their landlords.
- **Supporting Tenants Accessing Rental Relief (STARR), \$50M:** During the December 2020 Special Session, the STARR program was established with General Fund resources and operated through June 30, 2021. The \$50 million allocated for the program was disbursed through CAAs and their local partners in alignment with traditional rent assistance delivery. In total, approximately 8,510 renter households and their landlords were served.



- **Landlord Compensation Fund (LCF), \$160M:** The Legislature established the LCF with \$150M in General Fund resources in the December 2020 Special Session to compensate residential landlords for 80 percent of past-due rent owed by qualified tenants not collected after April 1, 2020, through the life of the program, June 2021. For a tenant to be qualified, per state statute, they had to complete a Declaration of Financial Hardship form. Landlords applied for relief on behalf of every tenant in need and were required to forgive the remaining 20 percent to access these resources. The Legislature then increased the repayment from 80 percent to 100 percent at the end of the program's life, per Senate Bill 278 in the 2021 Legislative Session. Since the applications were still open when that bill passed, the Legislature allocated \$10M to ensure OHCS had sufficient funds to pay all applications 100% of eligible rental debt. During its relatively short life span, the LCF provided over \$151.1 million in support to nearly 5,500 landlords.
- **Oregon Emergency Rental Assistance Program (OERAP), \$414M:** In May of 2021, the Oregon Emergency Rental Assistance Program (OERAP) was launched. Congress designed OERAP to be a tenant-facing program where tenants could apply for support with both rental arrears and forward rent, the owed amounts are confirmed by their landlords, and then checks are sent to landlords. Congressional allocations to Oregon for rental assistance, services, and admin totaled \$365M in two funding rounds. The State Legislature directed \$100M to this program. As [OHCS operated the top program in the nation](#), Oregon has received over \$29M in federal relocated funds (OHCS has requested an additional \$17.6M). Nearly all OERAP payments are made directly to landlords, with a very small number of checks being sent directly to tenants to pay their rent in cases where their landlord was unwilling to participate in the program. In just one year and five months, OERAP has distributed rental assistance to over 64,606 tenant households and their landlords.
 - **Please note:** These dollar figures do not include local Emergency Rental Assistance dollars allocated from U.S. Treasury directly to the City of Portland and Clackamas, Lane, Marion, Multnomah, and Washington Counties. These funds totaled \$137.7M.
- **Landlord Guarantee Program, \$15M:** In December 2021, the Legislature also established the [Landlord Guarantee Program](#) to make landlords whole if they had tenants who initiated safe harbor protections and had a rental assistance application denied, not fully funded (as in the assistance did not make up the full rental debt), or otherwise closed. This fund is administered by Home Forward with \$15M in state investments. Home Forward is running a high-quality advertising campaign to ensure eligible landlords are aware of the program. Despite their efforts, Home Forward estimates that too few applications have been received for the program to be fully subscribed by its end date. Additional questions about the Landlord Guarantee Fund can be directed to Taylor Smiley Wolfe, Home Forward's Director of Policy and Planning.

- **Offramp Resources, \$130M:** While OERAP continues to pay out applications, OHCS and our partners have been establishing an Eviction Prevention system with the \$100 million in funding provided by the Legislature during the December 2021 Special Session, and an additional \$30M being dedicated during the 2022 session. A network of organizations statewide has been hard at work providing local rental assistance, rapid response payments to tenants with eviction filings, case management, and mediation services to benefit both tenants and landlords.
- **Affordable Housing Provider Stabilization, \$5M:** In June 2022, the Emergency Board allocated \$5M in General Funds to OHCS for distribution to Home Forward to administer an affordable housing stabilization grant fund for affordable housing providers that can demonstrate outstanding debt from past due rent accumulated by residents in affordable units between April 1, 2020, and April 30, 2022.

Oregon has taken an intentional, multi-faceted, and layered approach to ensure that tenants are able to pay their rent and stay housed and that landlords are made whole during the COVID-19 pandemic. Our state has been ranked #1 in the nation for our ability to pay out rental assistance dollars and has also been highlighted as a national example of providing eviction prevention services that benefit landlords and tenants alike.

Over \$989.6M has been distributed or set aside to support tenants and landlords from programs administered by OHCS, our grantees, and the local federally-funded Emergency Rental Assistance program, though additional funds were set aside by local governments to provide rental assistance beyond this total. Despite these unprecedented rental assistance resources, we know not everyone in need of assistance has accessed resources. This speaks volumes to the state's housing affordability crisis. We appreciate your question and the opportunity to provide additional information.

Senator Anderson: Looking at the Agency Request Budget investment table, I see about \$100M for rental assistance including housing retention and youth rental assistance, is that enough to meet the need?

OHCS is putting forth the largest housing stabilization investment request to date as a part of the [2023-25 Agency Request Budget](#) (ARB). This is a bold ask of more than double anything OHCS has ever put forward, but it's not tone deaf to the economic and revenue realities of the state. We propose investing more than \$775M across the housing continuum, which includes \$60.3M for housing retention resources and \$39M for long-term rental assistance for youth. Considering nearly a billion dollars in assistance since the beginning of the pandemic was not sufficient to serve all in need, we know that our ARB can't reach every rent-burdened Oregonian.

As OHCS works to address the housing and homelessness crisis facing our state, it is incumbent that we take into account the needs across the entire housing continuum and work to address issues at their root causes. This approach seeks to prevent further trauma for individuals and to create cost savings for public systems through homelessness prevention. **The root cause of homelessness in Oregon is a lack of housing supply, driving up rent prices and making homes unaffordable.** That is why OHCS has sought to strike an important balance between funding



permanent housing solutions and addressing urgent needs in our full ARB. You will find that over 65% of our overall request is aimed at the root cause of Oregon's homelessness crisis: housing supply.

Even so, OHCS will continue to request and deploy record levels of homeless prevention and services funding, seek to improve provider capacity, and work to ensure our shelter system drives households toward the outcome of permanent, affordable housing with proper supports for sustainability. To be successful, these funds must be reoccurring. OHCS is incredibly grateful for the record levels of one-time funding the agency has received over the last few years, and those dollars have certainly increased our partner's ability to do their work in local communities. However, as those funds dissipate, you will continue to hear from the agency about the need for consistent, ongoing funding that will increase our ability to establish sustainable systems of care enabling providers to make necessary investments to meet the needs of Oregonians.

Unlike some social services programs, those that OHCS and our partners operate have limited funding sources, which sometimes means the level of need surpasses the resources that have been allocated. Our 2023-25 Agency Request Budget continues increased investments in housing, and these investments should be seen as a baseline or floor to meet Oregon's housing needs, from serving those without housing, to developing rental housing to increasing homeownership. Thank you for your ongoing commitment to ensuring our agency and partners have what we need to do this critical work.

Oregon is in a housing crisis. We need every tool available to build more affordable housing, keep Oregon tenants and landlords stable, and provide critical services to our neighbors experiencing homelessness. OHCS would like to thank this committee and our partners statewide for your work in addressing these challenges. We look forward to continuing these conversations as we head into the 2023 Legislative Session.

In partnership,

Nicole Stingham
Assistant Director of Government Relations
Oregon Housing and Community Services

