

SB 278 -15 STAFF MEASURE SUMMARY

House Committee On Rules

Prepared By: Claire Adamsick

Meeting Dates: 6/14, 6/15, 6/16

WHAT THE MEASURE DOES:

Alters limits on Rent Guarantee Program Fund payments from maximum of \$5,000 per landlord to maximum of \$5,000 per eligible tenant.

ISSUES DISCUSSED:

- Differentiating between extending eviction moratorium and creating additional time for tenant to apply for and receive rental assistance prior to eviction proceedings
- Aligning timeline with extension of grace period for repayment until February 28, 2022
- Clarifying tenant may only apply once for extension
- Capacity of Community Action Agencies and other providers to distribute rental assistance in a timely manner
- Ability to roll over Landlord Compensation Fund moneys expiring June 30, 2021
- Current prioritization of July and August rent payments
- Concern that landlord will opt to sell a property on which rent arrears have accumulated
- Interaction between income tax credit and direct distribution of rental assistance to landlords

EFFECT OF AMENDMENT:

-15 Replaces the measure. Prohibits residential landlords from delivering a termination notice for nonpayment or from taking action for possession based on termination notice for nonpayment if a tenant has provided the landlord with documentation that tenant has applied for rental assistance. Requires landlords to inform tenant of tenant right to protect against eviction for nonpayment when delivering tenant notification of termination for nonpayment on or after July 1, 2021. Allows landlords to initiate or continue eviction action 60 days from the time that tenant has delivered documentation of rental assistance application. Clarifies court judgement process and court discretion regarding scheduling a first appearance based on landlord and tenant compliance with the provisions of this Act. Clarifies that landlord participation in a rental assistance program is not exclusive to the Landlord Compensation Fund. Allows tenant to obtain injunctive relief if a landlord fails to comply with notification requirements as provided by this Act. Requires Judicial Department to translate and provide notice forms in Spanish, Korean, Russian, Vietnamese and Chinese on the department's website and distribute summary information on the provisions of this Act to state circuit courts for posting. Requires Housing and Community Services Department and any subgrantees to provide dated receipt of application for rental assistance to each tenant applicant. Directs the Housing and Community Services Department to provide grant to a third party to distribute rental assistance to landlords who have delayed termination notices or eviction proceedings, if a landlord demonstrates that a tenant's application for rental assistance was denied, or 60 days have passed since the tenant provided documentation of application for rental assistance and the landlord has not received rental assistance. Directs Department to compensate qualified applicants to the Landlord Compensation Fund for 100 percent of past-due rent accrued during the emergency period of April 1, 2020 to June 30, 2021, and directs Department to make distributions to landlords whose applications were approved prior to July 1, 2021 without requiring the landlord to submit an additional application. Clarifies provisions of this Act are operative July 1, 2021 and are repealed March 1, 2022. Declares emergency, effective upon passage.

BACKGROUND:

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Oregon Housing and Community Services Department (OHCS) administers the Rent Guarantee Program (Program) to provide financial assistance to landlords who lease or rent to low-income tenants who have successfully completed required training. Landlords who evict tenants for noncompliance or have a tenant vacate within the first 12 months of tenancy may apply with Program providers to receive payments to cover losses from unpaid rent, eviction, and property damage. OHCS disburses funds to Program providers who deliver tenant readiness education to individuals whose total annual household income is less than 60 percent of area's median income based on household size, who are experiencing housing barriers and instability such as poor credit or criminal history. Program funds are currently available on a per-landlord basis, up to \$2,000 for unpaid rent and up to \$5,000 in total financial assistance.

Senate Bill 278 makes financial assistance available on a per-tenant basis, rather than a per-landlord basis, to allow a maximum of \$5,000 per eligible tenant.