



# Oregon

Governor Kate Brown

## Housing and Community Services

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### 2021 State COVID-19 Rental Assistance Programs: HB 4410 3rd Special Session of 2020 Legislative Report

September 15, 2021

#### EXECUTIVE SUMMARY

The COVID-19 pandemic created multiple, compounding, ongoing crises that Oregon legislators have addressed head-on. In the Third Special Session in December 2020, the [Oregon Housing Alliance](#) testified that nearly two-thirds of renters in Oregon feared eviction within the next two months and that nearly 25 percent had no confidence in their ability to pay that month's rent<sup>1</sup> despite substantial funding allocated to the state's rental assistance network over the course of the 2020. Additionally, the statewide rental eviction moratorium was set to expire on December 31<sup>st</sup> at midnight. Many landlords had lost significant levels of rental income as a result of the economic fallout from the pandemic and were struggling to pay their bills. State lawmakers responded to this housing "cliff" with a \$200 million infusion into Oregon's residential rental market.

During the December 2020 special session, the Oregon State Legislature met to consider a slate of bills that addressed a handful of critical issues Oregonians continued to face as a result of the COVID-19 pandemic. Chief among them, [House Bill 4401](#) established the Landlord Compensation Fund (LCF) and the Supporting Tenants Accessing Rental Relief (STARR) program to provide desperately needed aid to landlords and tenants.

#### The Landlord Compensation Fund

The Landlord Compensation Fund (LCF) allocated resources for Oregon Housing & Community Services (OHCS) in the amount of \$150 million from General Fund to compensate residential landlords for 80 percent of past-due rent owed by qualified tenants not collected after April 1, 2020. 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 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.

OHCS identified key challenges and lessons learned:

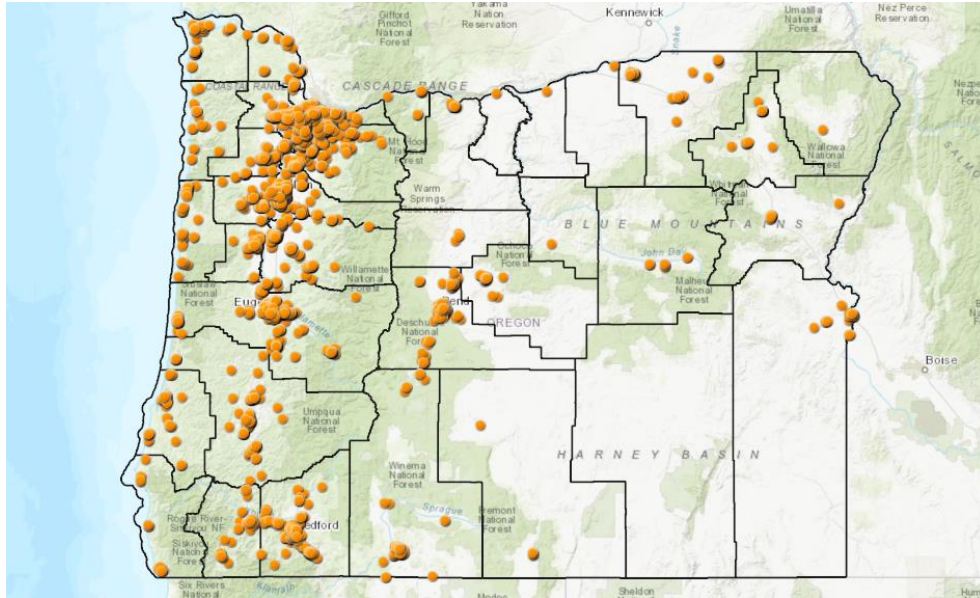
- The prioritization of delivery speed above program integrity was certainly understood and appreciated by the agency at that moment, but it did not come without sacrifices. The software portal for the landlord-based applications did not undergo an adequate testing period and created challenges for applicants.
- When key pieces of the program design were modified after passage HB 4401, some of the critical assumptions the agency made when standing up the program were no longer true and exacerbated software issues.
- The program, as authorized in HB 4401, was much larger than the agency had anticipated during the early planning conversations, both in size and complexity. The agency was not resourced to

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<sup>1</sup> Census Household Pulse Survey, <https://www.census.gov/data/tables/2020/demo/hhp/hhp20.html>

run a \$150 million program nor provide the level of customer service staffing required to adequately serve the needs of customers interacting with the program.

Despite these challenges, tens of thousands of Oregonians received assistance (nearly 5,500 landlords, approximately 23,600 renter households). The full \$150 million was utilized for program operations to erase more than \$144 million in tenant debt. The map below details the locations of properties served.



### **Supporting Tenants Accessing Rental Relief (STARR)**

The companion program to the LCF in HB 4401 is the STARR program, operated from March 2021 to June 30, 2021. This \$50 million allocation was disbursed through the network of Community Action Agencies (CAA) and their local partners in alignment with traditional rent assistance delivery in Oregon. In total, approximately 8,510 households were served.

STARR operated much like 2020 COVID-19 rental assistance programs; it was decentralized and included vast differences in programming across the state. OHCS heard concerns that accessing rental assistance was confusing in many parts of the state. Tenants in need simply didn't know how to apply. We also heard concerns that the state could not report on the program in real-time, as each CAA tracked and reported to OHCS in an inconsistent manner. These concerns informed the design of the Oregon Emergency Rental Assistance Program (OERAP), established by Congress the same day the Oregon Legislature passed HB 4401.

OHCS has many lessons learned from STARR and other programs that informed the design of the OERAP program. These lessons resulted in a centralized rental assistance application, the first statewide application for emergency rental assistance in the state's history, and increased language access. The application provided increased access, with more than 33,000 OERAP applications submitted in less than 4 months (almost quadruple those served by STARR). Additionally, the OERAP data dashboard provides unprecedented transparency for rental assistance in Oregon. OHCS is committed to continuous improvement in rental assistance and is already operationalizing lessons learned for OERAP.

## **THE LANDLORD COMPENSATION FUND (LCF)**

The LCF allocated \$150 million in funding for OHCS from the General Fund to compensate residential landlords for 80 percent of past-due rent owed by qualified tenants not collected after April 1, 2020.

To better understand the intent and design of LCF prior to implementation, OHCS staff participated in numerous work group meetings convened by House Housing Committee Chair, Representative Julie Fahey. The work group included legislators, legislative staff, bill drafters, landlord associations, tenant advocates, and key housing stakeholders. The work group met over the course of several months and considered different models to provide relief to both tenants and landlords, eventually landing on the framework for LCF in fall 2020.

The major programmatic directions originating from these meetings included the following:

- Prioritization of speed in relief delivery
- Multiple funding application rounds vs. a single notice of funding availability process or “first-come, first-served” basis
- Method to prioritize smaller landlords over those with a larger total number of units
- Directive to work with Public Housing Authority (PHA) partners

To date, LCF has approved approximately \$121,311,574 for 80 percent landlord reimbursement. All of these dollars have been distributed to PHA partners. 23,619 tenants were assisted at 7,015 properties providing compensation to nearly 5,500 Landlords in 35 counties across the state of Oregon.

### **Program Summary and Timeline**

After extensive review of current and past tenant and landlord-based programs across the country, OHCS discovered that the LCF was unique in that it was a landlord-facing application program. In general, rental assistance programs (at this time) were based on a tenant-initiated application process and there were only a handful of landlord-facing programs. It was determined that a centralized application portal and a database system could be quickly selected once the bill was approved. OHCS began searching for software providers that could meet the needs of this program as the Legislature drafted HB 4401.

The agency identified a vendor and executed an emergency procurement contract with a software provider that could tailor their program to a landlord audience. OHCS engaged in workshopping landlord functionality with a vendor known to the agency, Allita. The approach was taken to use a known vendor, as the procurement of a new software vendor would have triggered a long competitive process subject to Enterprise Information Services requirements that would have delayed launch for 6-9 months after the passage of HB 4401. Given the existing relationship with the agency, Allita began investing time in creating a platform to our specifications without a guarantee of a contract.

OHCS began working with Allita, basing software configurations on standard programmatic assumptions. The early work with the software developers created the foundation of the systems operations. Staff went through this process with the understanding that OHCS would have the ability to gather information necessary to operate a program with a clear path of documentation to maintain integrity over data as well as resource use. Staff designed program delivery that included the gathering of basic tenant information: names, addresses, and a tenant identifier (birth date, SSN, etc.). This information had several purposes in the application process: to ensure tenants were aware that their landlord applied for assistance on their behalf, to avoid duplication, and to prevent fraud. The tenant identifier

was an essential data point for the software’s functionality, so OHCS conceived a “Tenant Attestation” form to gather it. [OHCS testified](#) about initial program plans to the [Joint Interim Committee On The Third Special Session of 2020](#).

A network of 20 PHAs were the resource delivery partners. PHAs performed audit testing on the ownership verification (requiring proof that the owners in the application were owners of the property), issued payments, and sent tenant issuing tax documents via US mail. Several trainings on data hand-off procedures with the PHAs were held. As rounds closed and funding was approved for each cohort of applicants, the files were transferred to PHAs to process within the negotiated 30-60 day timeline.

### **High-Level Program Timeline**

- Rep. Fahey Working Group (Summer – Fall 2020)
- Third Special Session of 2020 (December 2, 2020)
- LCF Program Design (December 2020 – February 2021)
- Round One (February 17 – March 5, OHCS worked with landlords complete applications after March 5, 2021)
- Round Two (April 29 – May 17, 2021)
- Round Three (June 1 – 23, 2021)
- SB 278 signed into law; compensation increased to 100 percent (June 24<sup>th</sup>, 2021)
- Backend audits & compliance review (July – September 2021)
- 20 percent compensation will be sent to Public Housing Authorities for disbursement (end of September 2021)

### **Challenges from Modifications to Program Design**

As OHCS continued to participate in the legislative work group, many of our key program assumptions, such as the tenant identifier—in the form of a tenant attestation form – were eliminated after continued stakeholder engagement. The tenant declaration was assumed to be sufficient to meet the outlined goals of the tenant attestation: fraud prevention, tenant inclusion, and to avoid duplication of benefits. The tenant declaration, however, had no identifying information that could be used for these purposes. This late-stage change slowed the software developer’s progress as we established a workaround for that critical information.

The lack of a tenant identifier presented additional challenges for implementation:

- Staff were unable to collect any form of demographic information on the landlords or the tenants served by the program. Without this demographic data the agency is unable to make informed, data-based programmatic changes or evaluation regarding equity and racial justice. The program is unable to verify that the populations served through the LCF assistance reflect or represent the demographics of Oregonian renters, including representation by renters of color. We do not know if these resources equitably served Oregonians.
- Staff were constrained in implementing efforts to ensure that landlords apply for *all* tenants with rent-debt, a requirement in HB 4401, as there was no contact information for tenants that did not complete a tenant declaration.

In addition to the lack of ability to tie traceable information to tenants without the personal identifier, the agency was presented with another obstacle incorporating feedback from property management advocacy groups. They asserted that the term “landlord” covered both the owners of rental housing as

well as the property managers of rental housing. This was not a nuance that was raised during legislative program design. HB 4401 required that landlord applicants apply for all properties within their portfolio. While included in the legal requirements each applicant agreed to upon the submission of their application, we suspect applicants may have been unable to comply at the outset:

- If the owner of several rental properties used multiple property managers, and the property manager applies on behalf of the landlord, it is not possible for staff to confirm whether an application was submitted for all properties within the owner's portfolio.
- If a property manager is the applicant, and represents many different ownerships, they are unable to make unilateral decisions for all owners within their portfolio, so can also not meaningfully attest that the property manager applied for their entire portfolio or for every property they manage.
- The related statutory requirement to prioritize applications based on the number of units in a given landlord's portfolio became unfeasible to operationalize consistently.

These programmatic shifts in January 2021 delayed and compressed the testing period for the software. Consequently, the system was not fully operational at the time of launch. System patches were subsequently put into place to allow for applications to be submitted, but without any fundamental tenant data structure. Due to both the needs of landlords missing months of rent and the June 30<sup>th</sup> deadline to spend the funds, OHCS felt intense pressure to launch on February 17, 2021. The software program was overwhelmed as applicants flooded the system, demonstrating the significant need from landlords. New and largely untested system patches did not work as intended. As thousands of applicants loaded and re-loaded data with no structure to the system, the workarounds in the software coding were simply not robust enough to handle the immense amount of data that OHCS needed to gather to meet the other programmatic intentions. The lack of a key identifier complicated data integration, consolidation and reporting.

To resolve the initial challenges, the system was shut down overnight on March 2 to address issues on the front end of the application portal. Time spent here detracted staff from building out the backend of the system. At the same time, OHCS had limited staff to assign to this project due to COVID-19 and wildfire response efforts. The agency had to rapidly hire and train staff while simultaneously rebuilding largely incomplete and unfinalized applications due to the software system malfunctions. While the system was shut down, staff surveyed all potential applicants and manually entered thousands of records into the system directly. This was done by emailing all potential applicants and offering one-on-one support in completing applications. Round 1 was extended multiple times to allow time for applications to get cured, re-entered and finalized. Round 1 finally closed in April after staff worked directly hundreds of landlord to complete their application.

Concurrently, OHCS and the system developer had created a new application process using the parts of the software system that did work while removing and developing new workarounds for the pieces of the software that caused the systemic failures. Thus, a new, less sophisticated, and more labor-intensive system was designed from the ashes of the original. This allowed the second round to go live in May, along with a customer service team nearly 6 times larger than at the time of the February system launch. This team was also dedicated to assisting landlords who did not have access to technology. The system changes proved to be adequate and more user-friendly, and the additional staff improved response time for applicants. This updated system was also used in round 3, opened in June.

## **Moving Forward Through Full Implementation**

Between rounds 2 and 3, OHCS again elicited stakeholder and applicant feedback and made some programmatic changes based on the responses received. In addition, because the Legislature allocated an unprecedented level of resources to this program, OHCS was on track to have enough money to fund all applications. This allowed the agency to modify round 3 and remove the scoring criteria, easing administration and application submission requirements. Expanded coverage included former tenants and pet rent. For the last round, OHCS was able to move to weekly rolling applications through June 23, 2021, the last possible date OHCS believed applications could be accepted while still abiding by program funding guidelines (committed by the expiration of the General Fund, June 30).

At the cusp of program closure, the Legislature approved SB 278 which allowed for the program to pay Landlords the remaining 20 percent of rent accruals, previously required to be forgiven. This incentivized a last-minute rush by landlords who had previously been unwilling to forgive the 20 percent. The agency believes this may have exacerbated inequities for smaller and rural landlords without the same access to or knowledge of legislative news and updates.

The table below details the current status of funds as of September 14. In total, 100 percent of round one payments, 91.2 percent of round two, and 73 percent of round three payments have been distributed.

	<b>Dispersed to Landlords</b>	<b>Total (80% compensation)</b>	<b>Percentage Sent</b>
<b>Clackamas Housing Authority</b>	<b>\$12,351,617.90</b>	<b>\$13,074,645.76</b>	<b>94.5%</b>
<b>Coos Curry North Bend Housing Authority</b>	<b>\$382,256.85</b>	<b>\$382,256.85</b>	<b>100%</b>
<b>Douglas Housing Authority</b>	<b>\$538,136.93</b>	<b>\$768,569.28</b>	<b>70%</b>
<b>Home Forward</b>	<b>\$50,249,053.64</b>	<b>\$53,430,369.17</b>	<b>94%</b>
<b>Homes for Good</b>	<b>\$6,756,674.53</b>	<b>\$6,959,791.46</b>	<b>97.1%</b>
<b>Housing Works</b>	<b>\$1,873,058.70</b>	<b>\$1,955,704.30</b>	<b>95.8%</b>
<b>Jackson County Housing Authority</b>	<b>\$2,821,528.45</b>	<b>\$2,821,528.45</b>	<b>100%</b>
<b>Josephine Housing Authority</b>	<b>\$406,978.37</b>	<b>\$406,978.37</b>	<b>100%</b>
<b>Klamath Housing Authority</b>	<b>\$550,330.62</b>	<b>\$550,330.62</b>	<b>100%</b>
<b>Lincoln Housing Authority</b>	<b>\$455,696.00</b>	<b>\$455,696.00</b>	<b>100%</b>
<b>Linn Benton Housing Authority</b>	<b>\$2,375,341.30</b>	<b>\$2,396,485.30</b>	<b>99.1%</b>
<b>Malheur Housing Authority</b>	<b>\$159,434.93</b>	<b>\$159,434.93</b>	<b>100%</b>
<b>Marion County Housing Authority</b>	<b>\$1,050,252.80</b>	<b>\$1,050,252.80</b>	<b>100%</b>
<b>Mid-Columbia Housing Authority</b>	<b>\$492,535.04</b>	<b>\$523,542.24</b>	<b>94.1%</b>
<b>NE Oregon Housing Authority</b>	<b>\$283,776.80</b>	<b>\$283,776.80</b>	<b>100%</b>
<b>NW Oregon Housing Authority</b>	<b>\$880,762.18</b>	<b>\$1,175,144.60</b>	<b>74.9%</b>
<b>Salem Housing Authority</b>	<b>\$3,865,122.41</b>	<b>\$7,590,502.33</b>	<b>50.9%</b>
<b>Washington County Housing Authority</b>	<b>\$15,305,987.53</b>	<b>\$24,763,613.75</b>	<b>61.8%</b>
<b>West Valley Housing Authority</b>	<b>\$1,285,010.12</b>	<b>\$1,343,674.84</b>	<b>95.6%</b>
<b>Yamhill Housing Authority</b>	<b>\$1,015,819.62</b>	<b>\$1,209,275.72</b>	<b>84%</b>
<b>Grand Total</b>	<b>\$103,100,022.71</b>	<b>\$121,301,573.56</b>	<b>85%</b>

OHCS spent July, August, and the first part of September 2021 completing compliance reviews, performed on the back end to expedite processing. OHCS staff audited all applications receiving more

than \$100,000, all rents over \$3,000/month, and 20 percent of funded applications. Staff are currently working to resolve any payment issues and identified ineligibility. Overall, the findings through

compliance review have been within industry norms. The remaining files and 20 percent payments will be sent to the PHAs by the end of September 2021.

**Program Retrospective – What Worked**

LCF assisted thousands of tenants and landlords, protecting these tenants from eviction and wiping away tens of millions of dollars of rental debt, helping vulnerable landlords avoid foreclosure, preventing employee layoffs, and continuing to provide housing services to Oregonians during the Eviction Moratorium period. OHCS fulfilled legislative intent by providing a platform that enabled landlords to apply for relief on behalf of their tenants, receive assistance, and ensure program integrity measures.

At program close, OHCS has a few key takeaways:

- 23,619 tenants were assisted at 7,015 properties providing compensation to nearly 5,500 landlords.
- All \$150 million dollars allocated to the program will be utilized.
- OHCS stood up, administered, and supported an extensive program serving the entire state in approximately six months, despite immense challenges. This program was one of only a handful of its kind in the nation.
- This program accomplished its goals, utilized its funds, and did so within the framework set forth by the legislature.

OHCS is also glad to share the perspective of some applicants:

I filled out a compensation application, but needed to make corrections and was unable to do it on line. I emailed for help, attaching files that I had been unable to upload. Ronald replied promptly with instructions, and he also loaded the corrected files into my application for me.

I was fearing computer-only bureaucratic frustration and failure, and was so relieved to find real-person expert advice and guidance.

I just opened my letter from Home Forward today and I just wanted to say thank you so very much for helping me so generously with my rent. The process was surprisingly easy and user friendly and you processed it so quick. I don't have the words to tell you how grateful I am but please know from the bottom of my heart that I am grateful and this just means so much to me and is such a weight off my shoulders. To everybody who helps facilitate this, you have my unending gratitude.

I was delighted for this opportunity to have full forgiveness for my tenant, a restaurant worker and student. To also recover 80% of my losses is a bonus I did not expect would ever happen. This process was ultimately fast, considering what had to be done to execute quickly. So thankful.

**Program Retrospective – Lessons for Future Program Design**

After careful analysis, OHCS has identified numerous decisions and actions that, in retrospect, could have improved this program, both in terms of delivery and effectiveness. Including OHCS from the onset of the program design phase ensures

Tenants Served by County	
Baker	11
Benton	193
Clackamas	2,085
Clatsop	105
Columbia	141
Coos	96
Crook	20
Curry	27
Deschutes	305
Douglas	202
Gilliam	3
Grant	14
Hood River	20
Jackson	533
Jefferson	4
Josephine	86
Klamath	146
Lake	4
Lane	1,501
Lincoln	84
Linn	327
Malheur	54
Marion	1,976
Morrow	2
Multnomah	10,417
Polk	262
Sherman	1
Tillamook	29
Umatilla	91
Union	48
Wallowa	1
Wasco	30
Washington	4,582
Wheeler	1
Yamhill	218
<b>Grand Total</b>	<b>23,619</b>



programmatic details don't manifest as barriers. In hindsight, it would have been wise for OHCS and legislators to recognize that LCF was an *emergency, disaster aid program*. It is clear to us today that the agency should have considered administering this effort by contracting out the work and engaging an outside disaster management firm with specialized expertise in managing call centers, benefits eligibility and in-house software systems to oversee the day-to-day work.

#### ***Program Integrity and Speed of Delivery***

- By removing program integrity measures to boost speed of delivery in alignment with legislative intent, OHCS had difficulty establishing a program that met program auditing protocols and ensuring stewardship of public funds. This was instead accomplished through back-end compliance.
- As OHCS has embarked on a process of back-end compliance, evaluating files for completeness and errant payment requests, we have found examples of fraud as well as incorrect payments. These are tracked and resolved in consultation with each of the 20 PHA partners. This means the tail-end of the compliance will last longer and be more intensive.
- As is the case with many emergency response programs, these are challenges that are difficult to balance but must be identified.

#### ***Multiple Rounds vs. Notice of Funding Availability process or First Come, First Served***

- Multiple rounds were envisioned to allow more landlords to hear about the program, but operationalizing this was a challenge as it created a significant strain on administrative capabilities. It limited OHCS' ability to be nimble and provide programmatic changes.
- Specifically, OHCS had to simultaneously accept, review and approve applications, ensure the software was functioning, assist applicants with technical assistance both programmatic and technological, send information and provide support to partners, respond to inquiries of customers at different phases of the process, respond and report to ongoing inquiries from the public and legislative bodies, craft official forms, develop guidance, and work on other measures that are normally done during the set-up phase of programs.
- When condensed to a single round design, these administrative functions do not overlap and are less strenuous on staffing and allow for greater transparency for the applicant.
- By requiring that the funding rounds be competitive, we were unable to finalize grant agreements for resources at the time of application making a second step of finalizing documentation following round closure a legal necessity. While OHCS did everything possible to reach out to those who neglected to finalize grant agreements in the allowed period, we continue to be challenged by those who failed to complete their grant agreement.

#### ***Prioritization of Smaller Landlords over Larger Landlords***

- This seemingly small directive had huge ramifications on program design. It required OHCS to set up a scoring and prioritization system which was at odds with the needs of the advocates to allow property managers to serve as landlords in the application process.
- It introduced the nuance of needing to define and segregate ownership from the landlord definition used in the statute.

- It required a substantial amount of information, like the template rent roll, that applicants found challenging and had trouble understanding / abiding by and submitting.

***The Directive to Work with Public Housing Authorities Partners as Written into Statute***

- The OHCS partnership with the PHAs was strong, and PHAs are good partners to the agency. While the PHAs provided the specific services requested, working with multiple partners was cumbersome to expedited implementation. The Housing Authorities of Oregon helped facilitate these conversations, particularly contract negotiations.
- PHAs provided payment to properties, tax notifications, tenant notification and property ownership verification on a limited basis. This partnership added procurement requirements, accounting and oversight duties, technical assistance, training, and additional processes. This increased workloads for program staff, procurement staff, the Oregon Department of Justice, and others. This work also prevented the agency from working with 36 county offices and provided needed fiscal capacity to cut checks.
- A centralized fiscal partner would have created consistency in speed of funding distribution across the state, streamlining the process and reducing coordination for OHCS staff.

***Staffing***

This perennial issue for the agency became particularly acute during program implementation. As an agency, OHCS has a broad relationship with housing providers across the state. These providers are of an affordable rental housing discipline, as well as of anti-poverty assistance funds. The LCF was a wide-ranging market program, without any constraints regarding household income or affordability. The level of stakeholder interest in LCF versus any other program operated through the Affordable Rental Housing Division is incomparable; our normal stakeholder groups top out at around 100 participants, and the first LCF webinar had more than 7,800 viewers. This degree of engagement required agency to live-stream the webinar via YouTube, because the number of Zoom licenses OHCS held were inadequate.

In that vein, and with the inability to utilize technology to mitigate staffing needs, OHCS was not resourced for the type of infrastructure needed to support this level of customer inquiry, complaint, and support. LCF was more than 10 times the size of any other direct service program offered by OHCS. OHCS recognized this and asked the Legislature for additional staff in the early session program change bill (HB 5042, 2021), and the Legislature was eager to provide this support. This was a lifeline for the program.

While we built a 25+ person team of customer service staff over time, we had to recruit temporary staff. Due to the ongoing pandemic, we had to acquire new office space and have temporary staff work together in the same building for both training purposes and because of our lack of enough necessary equipment like laptops that would allow staff to work from home. OHCS had no infrastructure for call center training, tracking, or follow up, nor call center software. Even when fully staffed we were unable to create capacity to take phone calls from applicants.

We do not have an organizational structure that supports this work requiring ad-hoc decisions under public and internal pressure to get resources in the hands of those in need. Further, a workforce of temporary staffers led to inconsistencies in program and technical expertise; turnover and attrition is ongoing. If OHCS is to be a provider of market programs, we recommend this infrastructure to be considered and developed prior to program funding and launch.

## **SUPPORTING TENANTS ACCESSING RENTAL RELIEF (STARR)**

HB 4401 also created a \$50 million dollar investment of State General Funds for Tenant-Based Rental Assistance, created the STARR program operated by OHCS. These dollars flowed through the state's traditional rental assistance network: Community Action Partners of Oregon (CAPO).

### **Program Design and Timeline**

The past 18 months has taught us a lot about the role of rental assistance within our social safety net. We have heard from communities that housing affordability from the pre-existing housing crisis has only been exacerbated by the COVID-19 pandemic. This has been felt all the more by communities of color, as [national and statewide trends](#) show a disparate impact on communities of color in terms of economic impact from lost jobs. These trends show us just how important it is that programs for rental assistance are designed well, with limited barriers and the ability to quickly deploy resources to those that need them.

The STARR program effectively operated from March 2021 to June 30<sup>th</sup>, 2021. It was operated by the network of [Community Action Agencies](#) (CAA) and their local partners in alignment with many of the past programs for rental assistance during the COVID-19 pandemic such as Coronavirus Rent Relief Program (CVRRP) which was authorized from the April 2020 Emergency Board meeting of the Legislature. OHCS sought to keep aspects of the programs that were effective, such as allowing self-certification for COVID-19 impact, while bolstering efforts on the local level to ensure that efficient processes were in place for tenants.

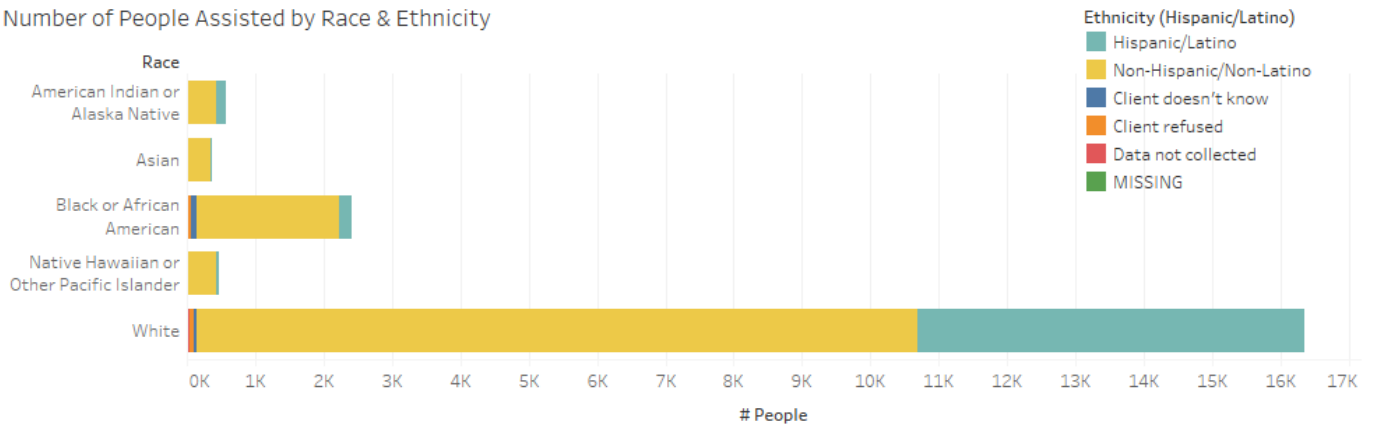
One example of this shift comes from a local CAA that was relying on paper forms for the past programs of rental assistance. After being slow to spend out the funds from CVRRP in 2020, the management team of the CAA procured a simple online application process that greatly sped up their administration of the funds. They were able to request additional funds from OHCS because of their efficacy at ensuring communities received assistance quickly, without undue burden on the tenants or landlords working together to get assistance.

While doing stakeholder engagement to understand program design needs before the launch of this program, local non-profit and CAA partners brought a major issue to the attention of OHCS: capacity at the local level. Non-profit capacity issues stem from decades of disinvestment or limitations in funding that have resulted in systems and architecture that are not always suitable for rapid expansions of services like we have encountered from the COVID-19 pandemic. Community-based organizations are the vital link to building trust and connection with those most impacted by the problems of housing instability, homelessness, food insecurity and a variety of other challenges. To ensure that local operators had ample ability and capacity to spend funds, perform outreach and ensure equitable distribution of funds, OHCS allowed for a 15 percent Administrative fee as well as charging "Program Delivery" costs in a separate grant category. This allowed for non-profits to quickly staff up and ensure community members had access to the experts to help them stay housed.

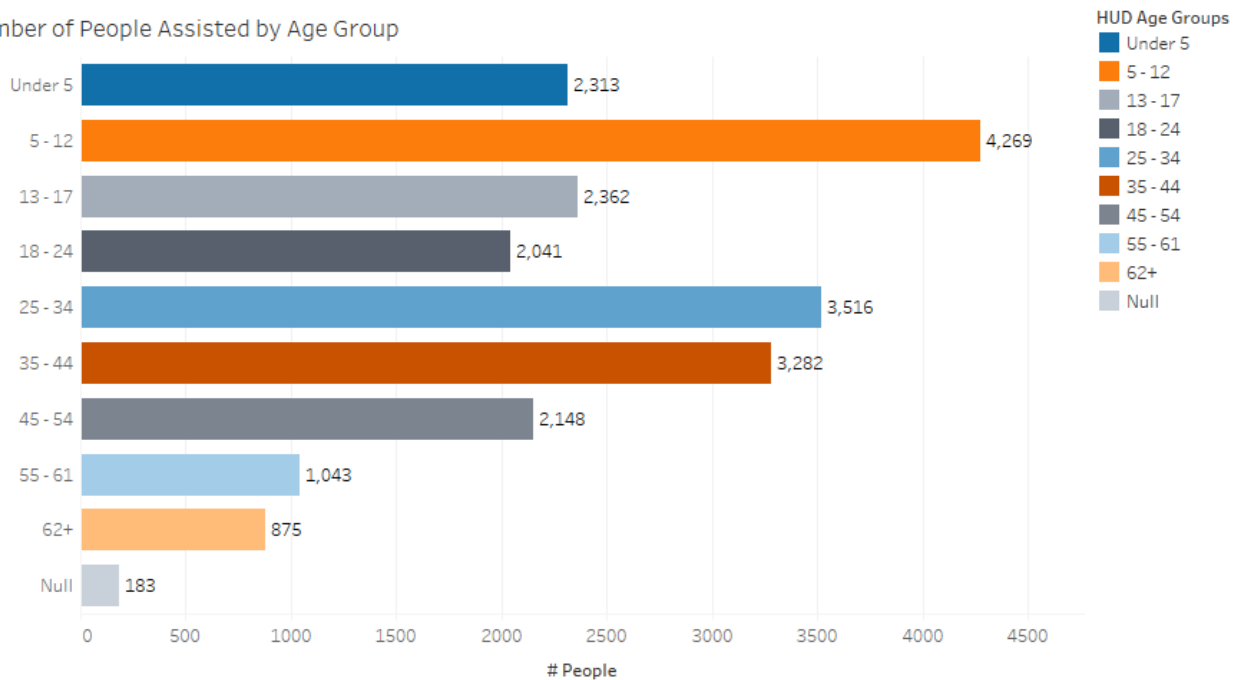
As a result of these changes, OHCS and the local partners were able to move swiftly and ensure that the STARR funds were delivered to landlords whose tenants owed rent back to April 2020 because of the

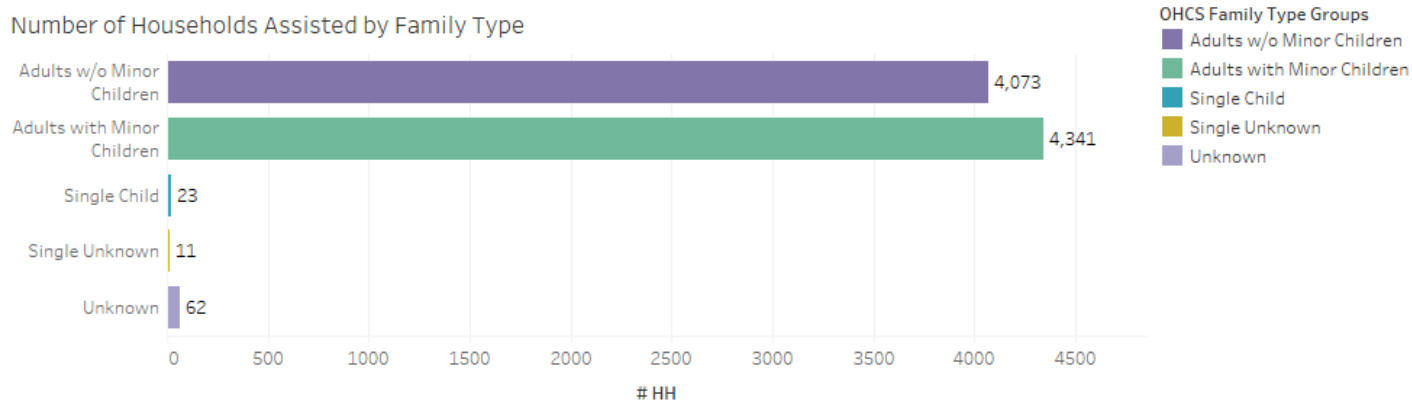
COVID-19 pandemic. OHCS projects that all \$50 million has been spent and is awaiting several more final spending reports from local providers who are working to close out their financial accounts from the last fiscal year. STARR provided rental assistance to approximately 8,510 households and over 22,000 individual Oregonians in the span of around 4 months' time. See the charts below for additional information on people served. The STARR program was an excellent bridge between the CVRRP program of 2020 and the federal investment of the Oregon Emergency Rental Assistance Program (OERAP) that began in May of 2021.

Number of People Assisted by Race & Ethnicity



Number of People Assisted by Age Group





### Program Retrospective – Challenges in Program Implementation

The primary challenges related to the administration of rental assistance programs relates to the model in which the funds were delivered to local communities. OHCS utilizes the CAPO network that the OHCS is statutorily required to pass certain funds to for administration across the state. There are 18 different agencies that cover the entire state, including the [Oregon Human Development Corporation](#) who serves the entire state with critical services for agricultural workers. OHCS utilizes separate grant agreements with each of these CAAs to run programs such as STARR.

The main challenge with operating rental assistance programs of this scale is that balance between ensuring uniformity in design and implementation while also building in the ability for local needs and creative solutions. OHCS has heard from many members of community associations, community-based organizations, tenant associations and culturally specific organizations that the process of applying for rent assistance has been confusing and difficult to understand with inconsistencies across Oregon. OHCS sought to bring some uniformity to the administration of the programs statewide by providing links and information on each program through a [central website](#). At the end of the day, each CAA has much discretion in terms of how they market, design, and execute programs such as these. This brings a wide variety of different approaches, but also creates this confusion for tenants trying to get assistance. This challenge informed OHCS' design for a future rent assistance program, the Oregon Emergency Rental Assistance Program, that relied on a [single statewide portal](#).

Additional areas where the program implementation found challenges relates to the systems that the State utilizes to track and monitor spending and access to programs. The State required the use of the Homeless Management Information System (HMIS) which is administered differently across the state depending on which [Continuum of Care \(CoC\)](#) the CAA is based out of. The variance in administration models means that the insight into real time trends, access issues and racial demographics of clients accessing the funding is limited. OHCS must request the data through the CoC, which then requires tabulation and processing. This lack of real-time data is a major factor in OHCS' decision for utilizing a single statewide portal for the Oregon Emergency Rental Assistance Program because it allows for near real time data and demographics reports such as [this dashboard](#). These dashboards offer stakeholders and the public an incredible wealth of data, information and trends that can inform strategic direction and allocation of resources. This level of transparency is only feasible with a dedicated rental assistance system that binds together statewide data.

Data is an important tool to ensure that these programs contribute to an equitable recovery from COVID-19 and begin to bend the curve of disproportionate impact that communities of color and other groups experience. By making program performance available to the public, we increase transparency, access and insight into the needs of community across the state. The time for increased accountability for government to work for *all* Oregonians is now. We must ensure that these programs are demonstrating a deep impact for communities of color, rural Oregonians, immigrants and refugees and other groups that have been traditionally marginalized.

### **Program Retrospective – Lessons for Future Program Design**

OHCS is committed to continuous improvement of our programs and funding strategies. It is incumbent on State Government to ensure responsiveness to the needs of the most vulnerable members of our community by shifting and adjusting the strategies we use to reach those members. This one-time program has informed several key concepts for the development of the federal Emergency Rental Assistance Program (OERAP).

- Invest in rental assistance infrastructure, including centralized approaches that consolidate resources and processes to eliminate disparities and confusion for renters in need. This envisions rental assistance as a core component of a well-functioning system that prevents and ends homelessness.
- Enact standard program requirements and prioritization to ensure Oregonians have the same access and experience regardless of their zip code.
- Doubledown on efforts to ensure that people with lived experience, communities of color and those most impacted by the problem are closest to the solutions.
- Increase transparency in program status by establishing an online dashboard with weekly updates, only feasible with a centralized application system.
- Ensure rental assistance is available to renters quickly by removing barriers such as burdensome documentation requirements, allowing self-attestation processes for proving eligibility and build programs that ensure that landlords are not required to participate for a client to get assistance.
- Train grantees and ensure that fraud prevention measures are strengthened in order to protect public resources against fraudulent claims
- To reach communities most impacted by the problem of housing instability and homelessness, such as communities of color, we must invest in the community-based organizations that know these populations the best. A centralized approach to rent assistance *must* be paired with robust outreach, application assistance, marketing and an on-the-ground outreach strategy.
- Invest in performance-based contracts that reward innovation, creativity and efficiency for grantees that perform outreach, process payments or process applications.

## CONCLUSION

The COVID-19 pandemic created multiple, compounding, complex crises that legislators addressed head-on. In December's third special session, the [Oregon Housing Alliance testified](#) that nearly two-thirds of renters in Oregon feared eviction within the next two months and that nearly 25 percent had no confidence in their ability to pay that month's rent. The state responded with a \$200 million infusion into Oregon's rental market.

With passage of HB 4401, OHCS was tasked with establishing two new programs, one unlike anything OHCS has ever administered. OHCS created a new program, procuring and utilizing customized software, and assisted an immense number of applicants within an incredibly short time period and limited staffing. The hard-learned lessons from the LCF have been taken into the design of other OHCS programs, including the Oregon Emergency Rental Assistance Program (OERAP).

LCF assisted more than 23,600 tenants and nearly 5,500 landlords and helped prevent a tragic mass eviction event during a once-in-a-lifetime public health crisis in our state. OHCS remains grateful for the commitment of the Oregon Legislature to support the private rental market and keep Oregonians in their homes.

STARR delivered \$50 million in rent assistance to 8,510 households and approximately 22,000 individual Oregonians in just four short months. The STARR program ensured resources were on the ground while the agency stood up OERAP, taking lessons learned from 2020 rental assistance and STARR.

In total, Oregon delivered \$200 million in rent assistance in six months to tenants and landlords across the state. That dwarfs the previous decade of state rental assistance. This is an enormous accomplishment we share with local program administrators, housing stakeholders, and the Oregon Legislature. We're truly grateful to help so many of our friends and neighbors.