



OREGON HOUSING *and*
COMMUNITY SERVICES

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May 6, 2021

The Honorable Senator Betsy Johnson, Co-Chair
The Honorable Senator Elizabeth Steiner Hayward, Co-Chair
The Honorable Representative Dan Rayfield, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
Salem, OR 97301-4048

Dear Co-Chairpersons:

Nature of the Request

Oregonians are in financial distress. The COVID-19 pandemic has left many families unable to pay their rent or mortgage, their utility bills, and afford everyday essentials. Oregon’s Statewide Housing Plan found that 27% of Oregon renters are severely housing cost burden, spending more than half their income on rent alone. And that was before the pandemic. OHCS is grateful for legislative commitment to help Oregonians pay their rent. That includes both historic federal and state resources totaling more than \$450 million. That funding has been a lifeline, and more federal assistance in on the way.

Agency Action

President Joe Biden signed the American Rescue Plan Act in March. This will result in hundreds of millions of dollars coming to Oregon in the form of rent, mortgage, utility, water, cash, and other assistance to households. OHCS anticipates more than \$152 million in the phase two of Emergency Rental Assistance (ERA 2) will come to Oregon, both OHCS and local administrating jurisdictions. The uses of ERA 2 will be similar to the Oregon Emergency Rental Assistance Program launching May 19th. The National Council of State Housing Finance Agencies created a [helpful side-by-side comparison document](#). OHCS expects to receive 40% of the award in May, and will receive the remaining of the grant funds in tranches if we meet the Treasury outlined grants obligating timeline.

Action Requested

OHCS is requesting permission to apply for these funds. The application is due before May 10th. Given the timing of this letter and the deadline to apply, it’s likely this request will be for retroactive approval. There is no matching requirement from the state on this federal grant. As OHCS learns more about these this second phase of rental assistance and associated requirements, the agency will inform legislators.



Legislation Affected

Legislation would not be impacted.

Sincerely,



Margaret Salazar, Executive Director

cc: Ken Rocco, Legislative Fiscal Office
Michelle Deister, Legislative Fiscal Office
George Naughton, Department of Administrative Services
Alisa Webb, Department of Administrative Services

Analysis
Housing and Community Services Department
Emergency Rental Assistance

Analyst: Michelle Deister

Request: Approve a request by the Oregon Housing and Community Services Department to apply to U.S. Treasury for a grant for Emergency Rental Assistance Funds being made available to Oregon through the American Rescue Plan Act of 2021.

Analysis: On May 4, The Housing and Community Services Department (HCSD) received direction from U.S. Treasury that it must make application for Emergency Rental Assistance funds under the American Rescue Plan Act (ARPA) of 2021. Oregon's share is estimated to be at least \$152 million, and as much as \$223 million. Jurisdictions with populations of 200,000 or above can apply directly. Funds are intended for rental assistance to renter households with incomes no more than 80 percent of area median income (AMI) who meet the following conditions: (1) one or more individuals in the household has qualified for unemployment benefits or has experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due directly or indirectly to the coronavirus outbreak; and (2) one or more individuals in the household can demonstrate a risk of experiencing homelessness or housing instability. Does not specify examples of how to demonstrate housing instability.

Grantees must prioritize assistance to households with incomes of no more than 50 percent of AMI and to households in which one or more household members is unemployed and has been unemployed for 90 days.

Eligibility guidelines are very similar to rental assistance funding provided under the Consolidated Appropriations Act in December 2020 (and for which HCSD was given expenditure limitation at the January 8, 2021 meeting of the Emergency Board), and additional administrative expenses are allowable for grantees compared to the prior version. HCSD plans to use its Master Grant agreement and network of Community Action agencies and their subgrantees to distribute the funding. HCSD is awaiting further guidance regarding the date by which funds must be obligated.

Applications for funding are due May 10 and no matching funds are required.

Legislative Fiscal Office Recommendation: The Legislative Fiscal Office recommends approval of the request to apply for the grant.

Housing and Community Services Department Webb

Request: The Oregon Housing and Community Services Department requests authorization to apply for at least \$152,000,000 in Emergency Rental Assistance funding through the American Rescue Plan Act (ARPA) to provide rental, utility and/or housing assistance to eligible Oregon households.

Recommendation: Approve the request.

Discussion: The American Rescue Plan Act (ARPA) was signed by the President on March 11, 2021, and will provide Oregon with at least \$152 million to potentially be used for rent, utility, home energy, and other assistance. It is unclear exactly how much the Housing and Community Services Department will receive and the actual award could be higher. Federal guidance on how these funds can be spent is forthcoming. Emergency Rental Assistance funds through ARPA do not require a state funds match and do not have a maintenance of effort requirement.

The current grant request is considered “Phase 2.0” of the emergency rental assistance funding and will be used for the same purposes as “Phase 1.0,” which was enacted by the President in the Consolidated Appropriations Act of 2021, on December 27, 2020. The Department received Federal Funds expenditure limitation associated with “Phase 1.0” at the January 8, 2021 meeting of the Emergency Board.

The application deadline is May 10, 2021 and the expectation is that funds must be spent by September 30, 2025. Additional guidance is forthcoming from the U.S Treasury and may clarify the spending deadline and other details. The Department expects to receive 40 percent of the grant funds in May 2021. The remaining 60 percent of grant funds will be disbursed in tranches after the Department has obligated at least 75 percent of the previous funds, as required by the U.S. Treasury. The Department does not expect to require Federal Funds expenditure limitation in the 2019-21 biennium. More information about the amount of federal limitation needed in the 2021-23 biennium is expected by June 1, 2021.