



Portland Housing Bureau

Commissioner Dan Ryan • Interim Director Molly C. Rogers

Rental Services Commission

October 17, 2022

Christian Bryant,
Co-Chair

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Lovato, *Exec. Comm.*

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Pippa Arend

Mayor Ted Wheeler
Portland City Hall
1211 SW 4th Avenue
Portland, OR 97204

Commissioner Dan Ryan
Portland City Hall
1211 SW 4th Avenue
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Commissioner Carmen Rubio
Portland City Hall
1211 SW 4th Avenue
Portland, OR 97204

Commissioner Jo Ann Hardesty
Portland City Hall
1211 SW 4th Avenue
Portland, OR 97204

Commissioner Mingus Mapps
Portland City Hall
1211 SW 4th Avenue
Portland, OR 97204

RE: Rental Services Commission's Recommendation for Rent Assistance Programs

Dear Mayor Wheeler, Commissioner Ryan, Commissioner Rubio, Commissioner Hardesty, and Commissioner Mapps,

The Rental Services Commission (RSC) recommends that additional local funds are dedicated to rental assistance, with a focus on continuing the existing programs and systems currently in place. The below recommendations and considerations came out of a series of five RSC meetings where the Commission reviewed and discussed the current local rent assistance programs, the continuing widespread need of rent assistance, and trends in eviction filings with a focus on non-payment filings. The RSC decided to focus on this topic due to mounting concerns that rental assistance resources are rapidly drying up while the community need remains elevated.

Pre-pandemic, local rent assistance was distributed through the Short-Term Rental Assistance Network (STRA), a multi-jurisdictional partnership between the City, the County, and Home Forward, who partnered with 17 community-based organizations to distribute funds. STRA's budget for rental assistance was between \$4 - \$5 million annually, and roughly 10% of households that applied received assistance.

Federal COVID relief funds made a significant amount of resources become available for local rental assistance. Roughly \$100 million flowed through City and County programs over the past two years. The City committed to prioritizing communities of color for these funds, as BIPOC communities were disproportionately impacted by the pandemic and the resulting economic

precarity. In order to achieve these racial equity goals, the City expanded on the STRA network by partnering with 18 community-based organizations that work with culturally-specific communities, resulting in the Expanded Partner Network (EPN). As of April 2022, over 22,000 households have been served, with 75% of households including BIPOC members. Additional financial assistance, including rent assistance, was made available to tenants with either a notice or eviction filing through the City's Eviction Legal Defense Program (ELDP). This structure ensures there is both emergency funding in the system for tenants facing eviction as well as longer term funding aiming to prevent evictions available through STRA and EPN. In addition to these programs, the County is providing rent assistance through Bienestar de la Familia and associated program, which tenants can currently reach through 211 or through referrals. Bienestar also does direct outreach to tenants with FEDs over nonpayment of rent.

However, much of the federal funding for rental assistance has dried up, and while the need has not. The system is reverting to pre-pandemic levels of funding, which was already inadequate. Throughout 2022, both eviction filings and eviction filings for nonpayment of rent have risen. In January of 2022, there were 287 evictions filed, with 174 of the evictions over nonpayment of rent. In August of 2022, there were 811 evictions filed, with 690 of filings over nonpayment of rent. It is important to note that we currently do not know how many notices are issued over nonpayment of rent that never result in a filing due to the tenant self-evicting.

The RSC recommends increasing local funding in STRA, EPN, and ELDP, with the following additional context and considerations:

- **More resources are needed, but more research is needed to understand the need.** Pre-pandemic, rental surveys conducted by Multifamily NW indicated that between 5 – 8% of rental households did not pay rent in any given month; throughout the pandemic, this percentage rose to between 10 – 15% of rental households. Most of the households struggling to pay rent reside in regulated affordable housing and class B and C rental housing, respectively. Given the elevated percentages of households struggling to pay rent and the rising rents in Portland, PHB estimated in 20/21 a system-wide need of \$200 - \$250 million a year in rental assistance. It's unclear if that need is reducing, growing, or staying the same based on current economic conditions and rent increases. It is also unclear in Multifamily NW's dataset how many tenants start off a month being unable to pay rent but are eventually able to pay of their own accord.
- **Consider the structure and purpose.** The RSC felt that the system needs increased flexibility to respond to clients' needs, including rental assistance for longer durations, flexibility for expenses such as moving costs or application fees, and ensuring landlords can understand the program and depend on the payments. Council should also determine if rent assistance

- should come with any regulatory frameworks, such as compliance with habitability codes or a cap on rent increases in units accepting assistance.
- **Multiple pathways for access.** While there should be a centralized access point for households in need, a decentralized distribution network that includes organizations serving culturally specific communities should be maintained to ensure racial equity. Council should also explore opportunities for individual landlords to apply on behalf of their tenants, as well as service providers.
 - **Work with the state to pursue other policies for tenant stabilization and eviction prevention.** As of October 1, 2022, the last statewide pandemic tenant protections- right to cure until first appearance and the 10-day notice period- expired. Council included the extension of these protections in the legislative priority sheets for the upcoming session. City officials should work with the state delegation on these protections, as well as identifying other state-level protections that could stabilize tenants.

The RSC is grateful for the opportunity to provide input on the efforts the City should take to improve the experiences of tenants and landlords with rental assistance and create a more equitable rental market for all Portlanders. The RSC welcomes the opportunity to provide ongoing input as needed.