

# Regional Long-term Rent Assistance Program (draft 1.18.21)

## Overview

On May 19, 2020, voters in the greater Portland region approved a measure to provide housing and wraparound services to prevent and address homelessness. The measure will fund a new Supportive Housing Services Program that will provide services for as many as 5,000 people experiencing prolonged homelessness with complex disabilities, and as many as 10,000 households experiencing short-term homelessness or at risk of homelessness.

A key strategy for achieving the measure's goals is the development of a Regional Long-term Rent Assistance (RLRA) program. The program will provide flexible and continued rent subsidy that will significantly expand access to housing for households with very low incomes across the region. Tenant-based subsidies will leverage existing private market and regulated housing, maximizing tenant choice, while project-based subsidies will increase the availability of units in new housing developments and support significant onsite services. Referring service partners will cover payments of move-in costs and ensure tenants can access supportive services as needed to ensure housing stability. A Regional Landlord Guarantee Fund will cover potential damages to increase participation and mitigate risks for participating landlords.

At a glance, RLRA will operate similar to the federal Housing Choice Voucher program. Tenants will pay 28.5% of gross income as their monthly rent portion and the program will subsidize the remaining costs. Participating units will meet inspection requirements and rent reasonableness standards, with base rents that do not exceed 120% Fair Market Rent (FMR). RLRA aims to streamline screening criteria and reduce eligibility barriers to increase housing access and support long-term housing stability for all participants.

The RLRA program will build on the existing long-term rent assistance infrastructure and expertise within Clackamas, Multnomah and Washington counties while providing consistent regional policies and procedures. The creation of a regional program will provide consistency for participating landlords and tenants, simplify application and certification processes, and enable tenants to move between counties as needed. Specific program and administrative practices may be tailored to reflect local variations and be responsive to the needs and capacities of each county.

## Guiding Principles

The RLRA program is rooted in a commitment to lead with racial equity by especially meeting the needs of Black, Indigenous and people of color who are disproportionately impacted by housing instability and homelessness. This includes implementing strategies to mitigate barriers to program access, using equity criteria to inform program design, and collecting and evaluating disaggregated data to ensure the program achieves racially equitable outcomes.

Implementation of the RLRA program will be guided by the following principles:

- Lead with racial equity and work toward racial justice
- Provide housing stability for households who are experiencing or at risk of homelessness
- Ensure program accessibility by removing screening barriers and simplifying the tenant application process
- Strengthen partnerships with landlords and property managers through program transparency and streamlined eligibility processes
- Embrace regionalism through consistent regional policies and procedures
- Support local flexibility to tailor program implementation to the needs and capacities of each county

## Proposed Policies

### **Tenant Referral, Eligibility and Documentation**

**Referral process:** The RLRA program will receive referrals through a flexible process with multiple referral paths, to be determined at the county level. The counties' coordinated access systems will be primary referring agencies. Other referring agencies may include community-based and culturally-specific partner organizations. Each referring agency will conduct its own participant screening and selection process, guided by the overall eligibility criteria for the regional program.

**Eligibility guidelines:** Eligibility guidelines will be based on the priority populations for the Supportive Housing Services program. The majority of households served by the RLRA program will meet the criteria for priority population A<sup>i</sup>, with incomes at or below 30% Area Median Income (AMI). Households that meet the criteria for population B, with incomes at or below 50% AMI, will also be eligible.

**Tenant screening:** Tenant screening will be the responsibility of the participating landlord or property manager, based on their existing criteria. No tenant screening will be conducted by the RLRA program and there will be no criteria for mandatory denials. The only screening conducted by the RLRA program will be a verification system to ensure that applicants are not already receiving long-term rent assistance in another county or program.<sup>1</sup>

**Documentation guidelines:** Documentation requirements will be flexible to minimize barriers. Government issued identification is preferred, but this can include documentation from any government agency containing the applicant's name and date of birth. Citizenship status and criminal background will not be assessed. Program guidelines will specify that no social security numbers should be collected and will clarify alignment with HMIS standards.

### **Landlord Partnership**

**Landlord guarantee policy:** A regional landlord guarantee policy will be established to provide assurances to participating landlords. The purpose of this policy will be to clarify partners' roles in supporting tenant stability and provide assurances to landlords to mitigate potential risks. The guarantee will include commitments that:

- Screening fees, deposits and non-rent move-in costs will be paid by the referring agency;
- Payment of monthly rent assistance will be guaranteed according to the RLRA contract;
- Service partners will provide access to ongoing supportive services to support tenant stability;
- Referring agencies will be available and responsive for direct and emergency communications;
- Costs incurred by the landlord such as damages and uncollected rent will be covered up to a certain amount through a Regional Landlord Guarantee Fund.

**Lease term:** Twelve-month leases are preferred, but shorter leases are allowed if they are consistent with funder guidelines and the landlord's practice with other housing. If the tenant is currently in housing prior to the RLRA contract and has a current lease, then a new lease is not required.

**Lease-up period:** A lease-up period of up to 120 days is allowed to secure the unit. Accommodations can be made for extensions upon request and at the discretion of the program administrator.

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<sup>1</sup> The program will establish a verification system similar to HUD's Enterprise Income Verification system.

## **Unit Eligibility**

**Unit location:** Units must be located inside Metro’s jurisdictional boundary, but accommodations can be made on a tenant-by-tenant basis if a safe and stable placement isn’t feasible within the jurisdictional boundary.

**Unit costs:** Units must be “rent reasonable” as defined by HUD standards to prevent rent gouging practices. Rent shall not exceed 120% FMR across the region to contain program costs. A base rent worksheet and online tool will be used to assist applicants and landlords to easily understand the maximum contract rent allowed. When the RLRA program is applied to an existing unit (leasing in place) and the unit is larger than program requirements for the household composition, rent reasonableness for the allowed household size unit will be used to determine eligibility and calculate rent reasonableness.

**Unit quality:** Inspections to assess unit quality will use Housing Quality Standards and can be conducted within 60 days of tenancy. If a unit cannot pass inspection, the contract will be dissolved but rent will be covered up to that date. Inspections to assess unit eligibility will be required only for non-regulated units that do not have other inspection standards and requirements.

**Special housing types:** Special housing types (e.g. SROs, congregate, shared housing) will be eligible, with the goal of providing flexibility. The RLRA program will clarify eligible special housing type standards and guidelines.

## **Rent Assistance**

**Rent calculation:** The RLRA program will use one consistent rent calculation for all households: 28.5% of gross income, with no deductions. Assets, financial aid and incidental income (recycling, plasma, etc.) will not be counted toward the tenant’s income calculation. No rent minimums may be established.

**Utility allowance:** The RLRA program will incorporate the reasonable cost of utilities paid separately when calculating rent contributions. Program participants will be reimbursed for any amount that this utility cost exceeds their rent contribution. The utility reimbursement can be paid directly to the utility, property management company or the household at the program’s discretion, with local flexibility based on funder requirements, etc.

**Income reexaminations:** Income reexaminations will occur every three years and must not be required more frequently. Interim reexaminations may be conducted prior to the three-year schedule if the household income decreases, increases from zero income, there is a change in household composition that changes the household income from previous examination, or if the contract rent changes.

## **Household Changes During Program**

**Households over income:** The rent contract will be maintained for up to 180 days for tenants who are determined to be over income (i.e. subsidy is no longer needed because 28.5% of income is higher than the rent, reducing rent assistance to \$0). Accommodations beyond 180 days will be at the discretion of the program and may include options to be placed at the top of the list if the participant loses stable income and needs RLRA in the future.

**Household membership:** Household members can be added to an RLRA contract at any time, as long as new household members are added to the lease and are within unit capacity requirements.

**Temporary vacancy:** The rent contract will be maintained for up to 180 days if the tenant is temporarily out of the unit (e.g. confined to a nursing home, hospital, inpatient treatment or incarcerated). Accommodations beyond 180 days will be at the discretion of the program and may include options to be placed at the top of the list when the tenant returns or is released.

**Unit transfers:** Tenant-based unit transfers are allowed after 12 months of assistance. Exceptions will be made for reasons of reasonable accommodation, reasons related to domestic violence or personal safety, or as approved by a program supervisor. RLRA program payments will be made through the end of the last month of tenancy to allow for overlap with the new tenancy if needed. Transfer lease-up timelines are the same as for initial lease-up. Recertifications are only required with a unit transfer if the household composition changes. Tenants can move across county lines as long as voluntary services are available to meet household needs in the new location.

### **Termination of Rent Assistance**

**Grievance policy:** Any proposal to terminate a household's rent assistance must include a grievance policy and opportunity for a hearing.

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i **Population A** is defined as a household with extremely low-income, with one or more disabling conditions, and experiencing or at imminent risk of experiencing long-term or frequent episodes of literal homelessness.

**Population B** is defined as a household experiencing homelessness, or having a substantial risk of experiencing homelessness.