

A-Engrossed
House Bill 2724

Ordered by the House July 4
Including House Amendments dated July 4

Sponsored by Representative KENY-GUYER, Senator DEMBROW, Representative HEARD; Representatives GORSEK, NEARMAN, SANCHEZ (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Directs Housing and Community Services Department to develop and implement Rent Guarantee Program to provide incentives and financial assistance to landlords that rent or lease to low income households by guaranteeing payments to landlords for unpaid rent and for eviction and property damage costs within certain limits.

Authorizes department to request proposals from and contract with program providers to administer program. Requires collection of performance outcome measures and annual report to interim committees of Legislative Assembly on housing.

Establishes Rent Guarantee Program Fund and continuously appropriates moneys to department for Rent Guarantee Program.

A BILL FOR AN ACT

1
2 Relating to the Rent Guarantee Program.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. As used in this section and section 2 of this 2017 Act:**

5 (1) **"Landlord" means an owner of a dwelling unit that has entered into a rental or lease**
6 **agreement with a tenant.**

7 (2) **"Low income household" means a household of one or more individuals whose com-**
8 **bined incomes are at or below 60 percent of the area median income and includes, but is not**
9 **limited to, a household of one or more individuals who are homeless or at risk of becoming**
10 **homeless.**

11 (3) **"Tenant" means an individual or a family who has or will be entering into a rental**
12 **or lease agreement with a landlord.**

13 **SECTION 2. (1) The Housing and Community Services Department shall develop and im-**
14 **plement the Rent Guarantee Program for the purpose of providing incentives and financial**
15 **assistance to landlords that rent or lease to low income households by guaranteeing pay-**
16 **ments to landlords for unpaid rent and for eviction and property damage costs as described**
17 **in this section. Department administration of the program is subject to Oregon Housing**
18 **Stability Council policy, rules and standards.**

19 (2) **A tenant is eligible to participate in the program if the tenant:**

20 (a) **Resides in a low income household;**

21 (b) **Experiences barriers to obtaining housing including but not limited to:**

22 (A) **Poor credit history or ratings;**

23 (B) **Criminal background history; or**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (C) A history of housing evictions; and

2 (c) Successfully completes the tenant training and certification process implemented by
3 the department under subsection (3) of this section.

4 (3) As part of the program implemented under this section, the department shall provide
5 training to, and a certification process for, tenants from low income households for the
6 purpose of providing tenants with information on how to achieve and maintain a successful
7 tenancy and providing reliable accreditation of tenants to landlords that are considering
8 renting or leasing to tenants from low income households.

9 (4) A landlord may submit a request for financial assistance to the department in ac-
10 cordance with rules adopted by the council. Financial assistance to landlords under the
11 program is limited as follows:

12 (a) Reimbursement for unpaid rent and payment of eviction and damage costs are limited
13 to circumstances involving rental or lease agreements entered into with tenants determined
14 to be eligible under subsection (2) of this section;

15 (b) Financial assistance is limited to reimbursement for unpaid rent and eviction and
16 damage costs incurred during the first 12 months of any single rental or lease agreement;

17 (c) Reimbursement for unpaid rent is limited to a maximum of \$2,000 per eligible tenant;

18 (d) Financial assistance paid under the program to a landlord is limited to a maximum
19 of \$5,000 per landlord; and

20 (e) Payment of financial assistance is contingent on the landlord's submission of a com-
21 plete and accurate reimbursement request, verification of unpaid rent and eviction or dam-
22 age claims by the department or program provider described in subsection (6) of this section
23 and cooperation with the collection of data to measure program performance outcomes as
24 described in subsection (6) of this section.

25 (5) Before receipt of payments of financial assistance under the program, a landlord must
26 provide to the department or the program provider described in subsection (6) of this section
27 a report containing information required by rule adopted by the council. The report must
28 contain, at a minimum, the following:

29 (a) Information regarding eligible tenants with which the landlord entered into tenancy
30 agreements including, but not limited to, the length of tenancy and reason for termination
31 of tenancy, if applicable; and

32 (b) The amounts of unpaid rent and eviction and damage costs not reimbursed by finan-
33 cial assistance received by the landlord under the program.

34 (6)(a) The department may contract with a public or private provider to administer the
35 program within an individual county or region of this state and to distribute financial as-
36 sistance to eligible landlords as provided in this subsection. The department is not subject
37 to the provisions of ORS chapter 279A or 279B in awarding a contract under the provisions
38 of this subsection. The department shall, in consultation with the council, establish criteria
39 for proposals, prepare and publish requests for proposals, receive proposals and award con-
40 tracts to eligible providers. Eligible providers must, at a minimum:

41 (A) Have experience providing tenant readiness education sufficient to provide tenant
42 training and certification as described in subsection (3) of this section;

43 (B) Have experience placing persons in low income households into permanent housing;

44 (C) Have experience working collaboratively with local landlords and service providers;
45 and

1 (D) Demonstrate the organizational capacity to administer the program, including the
2 ability to track data and performance measure outcomes and to timely process requests for
3 and payments of financial assistance.

4 (b) Program providers shall, in accordance with rules adopted by the council:

5 (A) Enter information into the homeless management information system maintained by
6 the department;

7 (B) Provide reports regarding the number of landlords and tenants participating in the
8 program, demographic information about tenants, identified tenant risk factors and the
9 number and amount of requests for financial assistance made under the program;

10 (C) Review and verify requests for financial assistance and make payments in accordance
11 with established department processes for distributing funds; and

12 (D) Collect data to measure the following program performance outcomes:

13 (i) Increased housing stability, as measured by the percentage of total program partic-
14 ipants who reside in and maintain permanent housing for a minimum of 12 months;

15 (ii) Increased landlord participation, as measured by the percentage increase in the
16 number of landlords participating in the program; and

17 (iii) Successful tenant readiness education, as measured by the percentage of tenants
18 successfully completing the tenant training and receiving certification as described in sub-
19 section (3) of this section.

20 (7) Nothing in this section prohibits a landlord from participating in the Housing Choice
21 Landlord Guarantee Program under ORS 456.375 to 456.390 or the Housing Choice Voucher
22 Program under 42 U.S.C. 1437f(o).

23 (8) The department may not pay financial assistance under the Rent Guarantee Program
24 from any source other than available funds in the Rent Guarantee Program Fund established
25 in section 3 of this 2017 Act. Amounts due and payable under the program shall not consti-
26 tute a debt of the state or a lending of the credit of the state within the meaning of any
27 constitutional or statutory limitation.

28 (9) The department shall submit an annual report to the interim legislative committees
29 of the Legislative Assembly related to housing no later than September 15th of each year
30 regarding the implementation and status of the program, the number of participants in the
31 program, amounts of financial assistance requested and paid and the performance outcomes
32 measured by the program.

33 (10) The council, in consultation with the department, shall adopt rules to implement the
34 provisions of this section.

35 **SECTION 3.** (1) The Rent Guarantee Program Fund is established within the State
36 Treasury, separate and distinct from the General Fund. Interest earned by the Rent Guar-
37 antee Program Fund shall be credited to the fund.

38 (2) Moneys in the Rent Guarantee Program Fund shall consist of:

39 (a) Amounts donated to the fund;

40 (b) Amounts appropriated or otherwise transferred to the fund by the Legislative As-
41 sembly;

42 (c) Amounts received from state or federal sources to be deposited into the fund;

43 (d) Income derived from moneys in the fund; and

44 (e) Other amounts deposited in the fund from any source.

45 (3) Moneys in the fund are continuously appropriated to the Housing and Community

1 **Services Department to carry out the provisions of section 2 of this 2017 Act.**

2 **(4) The department may use moneys in the fund to pay the administrative costs associ-**
3 **ated with the fund and with implementing and maintaining the Rent Guarantee Program**
4 **under section 2 of this 2017 Act.**

5 **SECTION 4. Notwithstanding any other provision of law, the General Fund appropriation**
6 **made to the Housing and Community Services Department by section 1, chapter _____,**
7 **Oregon Laws 2017 (Enrolled House Bill 5012), for the biennium beginning July 1, 2017, is in-**
8 **creased by \$223,247 for the Rent Guarantee Program.**

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