

Supportive Housing Services Program

Regional Long-term Rent Assistance Program Policies

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 authorizes a new regional tax that will generate initial revenue beginning in July 2021 and will sunset in December 2030 unless it is renewed by voters. The revenue will fund a new Supportive Housing Services Program (SHS) 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 extremely and very low incomes across the region. RLRA subsidies will be available for as long as the household needs and remains eligible for the subsidy, with no pre-determined end date (other than if the SHS measure is not renewed by voters).

Tenant-based RLRA subsidies will leverage existing private market and regulated housing, maximizing tenant choice, while project-based RLRA subsidies will increase the availability of units in new housing developments. RLRA program service partners will cover payments of move-in costs and provide supportive services as needed to ensure housing stability. A Regional Landlord Guarantee 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) as established by the U.S. Department of Housing and Urban Development (HUD).

RLRA policies and guidelines will be flexible and low barrier to meet local needs and fill gaps in existing programs. RLRA aims to streamline screening criteria, simplify application processes, and reduce eligibility barriers to increase housing access and support long-term housing stability for all participants.

RLRA implementation

The RLRA program will be implemented independently by each county while following consistent regional guidelines and policies. This regional framework 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.

The RLRA program will build on the existing long-term rent assistance infrastructure and expertise within Clackamas, Multnomah and Washington counties. Each county will have its own RLRA Administrator(s), defined as the housing authority or community-based organization(s) responsible for administering the rent assistance according to the regional guidelines and policies.

This document sets forth the regional framework developed by the three counties that will guide the RLRA program's launch in July 2021. The counties will continue to work together and with Metro to monitor the program's implementation and may adjust these policies over time to address emerging needs and lessons learned.

Supportive Housing Services Program alignment

The RLRA program will operate within the broader context of the regional Supportive Housing Services Program. The RLRA's rent subsidies will support and align with other SHS components including:

- **Outreach:** Street outreach and engagement, relationship building, peer support, service navigation and housing placement.
- **Housing navigation:** Support with housing search and placement, applications, fees, security deposits, appeals, reasonable accommodation requests, and enforcement of fair housing and landlord tenant laws.
- **Supportive services:** Case management, tailored wraparound services and flexible funds to support long-term housing stability, including connections to clinical services, health and wellness supports, employment and benefit supports, and legal assistance as needed.
- **System capacity:** Technical assistance and financial investments to strengthen each county's systems of care, expand culturally specific service provision, and ensure service providers have adequate resources and capacity to meet SHS service expectations and needs.

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 (BIPOC) 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 application processes
- Actively work to preserve participant access to the program and prevent eviction and program termination
- Strengthen partnerships with landlords and property managers through program transparency and streamlined eligibility processes
- Embrace regionalism through consistent regional guidelines and policies
- Support local flexibility to tailor program implementation to the needs and capacities of each county
- Align rent assistance with other SHS components including housing navigation and supportive services

Tenant-based RLRA 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 screen potential participants for RLRA voucher eligibility, according to the regional eligibility guidelines below. Counties will be held accountable for ensuring referral pathways are equitable, inclusive and effective at connecting eligible participants with appropriate housing options and supportive services.

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 A¹, with incomes at or below 30% Area Median Income (AMI). Households that meet the criteria for

¹ Population A of the Supportive Housing Services program is defined as a household with extremely low income, 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.

population B, with incomes at or below 50% AMI, will also be eligible. Each county will determine at what level to allocate funds to the RLRA program to serve people in population A and B and will be held accountable for adhering to the SHS program funding allocation requirement that 75% of overall program funds are devoted to services for population A and 25% for population B.

Tenant screening: Tenant screening will be the responsibility of the participating landlord or property manager. 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.

Documentation guidelines: Documentation requirements for RLRA eligibility 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: A regional landlord guarantee will be established to provide assurances to participating landlords. All landlords leasing to RLRA voucher holders will have access to a risk mitigation fund to cover costs of unit repair, legal action, and limited uncollected rents that are the responsibility of the tenant and in excess of any deposit, up to a certain amount. Landlords leasing to RLRA households in supportive housing will have access to additional services to support tenant stability and housing retention. In exchange for these additional commitments, landlords will be required to reduce screening barriers, work collaboratively with service partners, and follow fair housing, equity and non-discrimination guidelines. (For more information on the landlord guarantee, see Appendix A.)

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 already in a housing unit prior to the RLRA contract and has a current lease, then a new lease is not required.

Housing placement timeline: A standard period of up to 120 days is allowed for voucher holders to secure an appropriate housing unit. Extensions to this timeline are available to accommodate voucher holders actively engaged in the housing placement process who need additional time. Extensions will generally be granted by the RLRA Administrator upon request, with some limitations.

Unit Eligibility

Unit location: Units must be located inside Metro's jurisdictional boundary.

Unit costs: Units must be "rent reasonable" as defined by HUD standards to prevent rent gouging. Rent shall not exceed 120% FMR across the region to contain program costs. A base rent worksheet 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 (i.e. units not already subject to habitability standards linked to another government funding source) 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 with incomes at or below 30% AMI: 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. Flexible rent calculations that require households with incomes between 30% and 50% AMI to pay more than 28.5% of gross income may be considered.

Utility allowance: The RLRA program will cover 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 specific to the RLRA program will occur every three years if the head of household is 55 years or older or a person with a disability, and every two years for all other households. Interim reexaminations may be conducted prior to this two- or three-year schedule and may be requested by the household if the household's 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 participants 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). Participants who lose stable income and need RLRA within two years of exiting the program will be eligible to re-start their rent assistance pending the availability of sufficient funding.

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

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 (or sooner if the lease is for less than 12 months or the landlord is willing to terminate the lease early). Exceptions will be made for reasons of reasonable accommodation, reasons related to domestic violence or personal safety, reasons related to discrimination or harassment in housing, changes in household composition, or other reasons as approved by the RLRA Administrator. 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

Termination of rent assistance: Rent assistance may be terminated to a program participant who violates program rules or conditions of occupancy. The program's intent is to avoid termination unless absolutely necessary. Program partners will work together to preserve participant access to the program by (a) providing all participants with written copies of program rules at move-in, (b) ensuring participants are connected with appropriate supportive services to support housing stability, (c) examining all extenuating circumstances in determining whether violations are serious enough to warrant termination so that a participant's assistance is terminated only in the most severe cases, and (d) offering counseling prior to proposing termination.

Reasons for termination: Grounds for proposing termination of rent assistance may include violation of rent assistance program rules related to: accurate reporting of income, not completing or returning required paperwork, abandoning unit, unauthorized guests, missed inspections or failed inspections due to a tenant-caused issue, nonpayment of the tenant's portion of utilities that results in a utility shut-off, violent or abusive behavior toward staff, or subletting of the assisted unit.

Appeals process: Participants will be provided with a formal appeals process that at a minimum must consist of (a) written notice to the participant containing a clear statement of the reasons for termination, (b) a review of the decision, in which the participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision, and (c) prompt written notice of the final decision to the participant.

Reinstatement: Termination does not bar the participant from receiving further assistance at a later date. Any participant can request a reasonable accommodation to be reinstated back into the program.

Project-based RLRA Policies

All relevant tenant-based RLRA policies described in the above section also apply to project-based RLRA, unless inconsistent with the policies outlined below. This section focuses on additional policies that are specific to project-based RLRA as well as policy areas (such as inspections) where the project-based policies differ from the tenant-based policies.

Rent

Rent reimbursement rates: Reimbursement rate caps will range from 60-80% AMI rents depending on the project and based on criteria established by each county. Reimbursement at <60% or >80% AMI rents may be available for a small number of projects that meet specific criteria, at the discretion of each county.

Rent adjustments: A fixed annual rent increase of 2-3% per year will be included in the project-based RLRA contract. Rents must remain within rent reasonableness guidelines. In cases where a project includes rent subsidies from multiple sources (e.g. project-based RLRA and HUD Project Based Vouchers), the RLRA Administrator can opt to align RLRA rent adjustments with the other subsidy source's regulated rent adjustments.

Vacancy payments in between tenants: Vacancy payments of up to two months may be included in the project-based RLRA contract but are not required. Whether to include vacancy payments in the contract and the length of the payments will be at the discretion of each county.

Contract

Length of contract term: The initial term may not be less than one year and may be up to 15 years. If the term extends beyond the SHS sunset date of December 2030, the contract must either make the term years following the SHS sunset date contingent on the availability of sufficient rental assistance funding or counties can opt to use capitalized reserves or other strategies on a case-by-case basis to cover costs beyond the sunset date if SHS is not renewed. The initial term can be extended by mutual agreement if adequate resources are available.

Removal of units from contract with extended vacancies between tenants: The project-based RLRA contract shall provide that if any contract units have been vacant between tenants for a period of 120 days or more, the RLRA Administrator may amend the contract to remove those units from the contract or move the project-based subsidy to different units in the same project (as feasible), at the discretion of the RLRA Administrator and with notice to the owner.

Contract termination: Owners may terminate the project-based RLRA contract before the contract term expires only under the following conditions and with RLRA Administrator approval: (a) substantial building rehab that will require tenants to be relocated, and (b) financial restructure. Owners must provide notice to the RLRA Administrator and tenants not less than one year prior to terminating the contract or not extending it when it

expires. Upon termination, current tenants of contract units may elect to use tenant-based subsidies to remain in the current unit or move with assistance (as feasible).

Inspections

Inspections are required only for non-regulated units that do not have other inspection requirements. Guidelines for inspections of non-regulated units are as follows:

- **Initial:** All non-regulated units need to pass inspection before entering a contract. For new development, the state's occupancy certificate may be used in lieu of initial inspection.
- **Turnover:** All non-regulated units must be inspected at turnover; if the unit has been inspected within the past 24 months, the RLRA Administrator may opt to have the landlord self-certify the unit condition in lieu of a physical inspection.
- **Reinspection:** At minimum, inspections must be conducted of a random sample of at least 20% of non-regulated contract units within each project every two years.

Inspections of any contract unit may be conducted any time deemed necessary (regardless of whether or not the unit is regulated).

Protections for Existing Tenants

Displacement: Project-based contracts for existing buildings will be placed on vacant units or units where the existing tenant qualifies for RLRA, to the extent feasible. Existing tenants in a unit to be placed under contract who meet all of the eligibility requirements for the project-based unit will be given priority access to the project-based unit. Existing tenants that are displaced by a new development with a project-based RLRA contract will be provided relocation assistance in accordance with applicable local and federal laws.

Household Changes During Program

Change in household composition: Household members can be added to project-based unit at any time, as long as the household still meets income eligibility and unit capacity requirements and new household members are added to the lease. If changes in household size or composition make the household's existing unit unsuitable, the RLRA Administrator will work with the household to support a transfer to a project-based unit of an appropriate size, to the extent feasible.

Appendix A

Regional Landlord Guarantee

Overview

The Regional Long-term Rent Assistance (RLRA) program will provide tenant-based and project-based rental subsidies that will significantly expand access to housing for households with very low incomes across the region. Participating RLRA landlords will benefit from predictable, on-time rent payments. The program will also provide a Regional Landlord Guarantee (RLG) to increase participation and mitigate risks for participating landlords. The RLG will clarify partners' roles in supporting tenant stability and provide assurances to landlords concerned about additional financial or property risks associated with renting to RLRA participants.

For all RLRA landlords, the RLG will provide access to a risk mitigation fund that will cover costs incurred by participating landlords related to unit repair, legal action, and limited uncollected rents that are the responsibility of the tenant and in excess of any deposit. Landlords leasing to RLRA households in supportive housing will have access to additional services to support tenant stability and housing retention. In exchange for these additional commitments associated with supportive housing, landlords will be required to reduce screening barriers, work collaboratively with service partners, and follow fair housing, equity and non-discrimination guidelines.

General Regional Landlord Guarantee Guidelines

Regional consistency

- The overall components and broad policy guidelines for the RLG will have regional consistency.
- The structure and financial commitments of risk mitigation funds will have regional consistency but don't necessarily need to be implemented regionally.
- Each county's budget allocations for risk mitigation funds will be developed based on regional standards.
- Landlord commitments in exchange for RLG eligibility will have regional consistency to focus on reducing barriers as much as possible, but with flexibility for specific guidelines to be tailored by jurisdiction.
- Implementation of the service components of the RLG will be managed through the counties' contracts and MOUs with service providers with flexibility to be tailored by population and project type, but with regional consistency around the overall components.
- Counties will work together over time to develop regionally consistent guidelines, service standards and document templates to support implementation.

Eligibility criteria

- All landlords with project-based RLRA contracts or leases with tenant-based RLRA participants will be eligible for risk mitigation funds.
- Landlords serving households who qualify for a higher level of services and that sign an RLRA Supportive Services Partnership Agreement with a contracted service provider will be eligible for the full guarantee.
- The definition of which households qualify for a higher level of services will be determined by each county as part of the SHS implementation process. At a minimum, it will include households in supportive housing.

Service partners

Each County² will enter into formal agreements with service partners to (a) refer eligible households to receive RLRA subsidies and (b) provide housing retention supports to households receiving RLRA subsidies. The services attached to the RLRA Supportive Services Partnership Agreement will typically be provided by agencies under contract with the County to receive SHS funding to support their work. In situations where this isn't the case, there will be an MOU or other formal agreement with the service provider to formalize expectations.

² In cases where the RLRA is not administered directly by the County, the agreement will also include the RLRA Administrator.

Tenant-based RLRA Regional Landlord Guarantee

Risk mitigation fund

All landlords leasing to tenant-based RLRA voucher holders will have access to a risk mitigation fund modeled on the Oregon Housing Choice Landlord Guarantee³ and administered by each County or a third-party regional entity.

- Landlords will be able to access the fund for the life of the tenancy as long as the RLRA voucher is in use.
- Eligible costs will be based on the Oregon Housing Choice Landlord Guarantee's guidelines, including:
 - Physical damage to the unit beyond normal wear and tear that exceeds the security deposit
 - Legal costs related to serious violations of lease or state law⁴
 - Loss of rental income during the time required for repairs
 - Unpaid rent and utilities for which the tenant was responsible
 - Late fees or lease-break fees
 - Other costs related to lease violations (disposal fees, muck-outs, etc.)
- Coverage limits will be based on the Oregon Housing Choice Landlord Guarantee's guidelines (up to \$5,000 per household for the life of the tenancy with a minimum claim of \$500).

Landlord commitments under RLRA Supportive Services Partnership Agreement

Eligible landlords who sign an RLRA Supportive Services Partnership Agreement with a contracted service provider will be eligible for the risk mitigation fund as well as the service commitments listed below. In exchange for these benefits, the partnership agreement will specify commitments the landlord must make, including (but not limited to):

- Reduce screening barriers and/or accept applicants who have been pre-approved
- Limit application fees and security deposits to a reasonable limit
- Notify service partners when issues arise and work collaboratively to prevent damages or eviction
- Follow fair housing, equity, non-discrimination and anti-racism guidelines

Service provider commitments under RLRA Supportive Services Partnership Agreement

The specific service provider commitments included in the RLRA Supportive Services Partnership Agreement will be defined by each provider's contract or MOU with the County. At a minimum, these services will include:

- Assist tenants with the application process and payment of non-rent move-in costs
- Provide housing retention support and connections to supportive services
- Maintain regular contact with landlords and tenants and work collaboratively to ensure successful tenancies
- Be available and responsive for direct and emergency communication

Additional benefits available to landlords who sign RLRA Supportive Services Partnership Agreement

- Incentive payment of \$500 for each unit rented to a tenant-based RLRA household
- Reimbursement of up to \$1,000 for repairs in excess of \$500 required to pass move-in inspection

Landlord liaison function

A landlord liaison function will be included in each county's implementation of the tenant-based RLRA program. Each county will determine how to implement this function and how to integrate it into the landlord guarantee.

The landlord liaison function includes:

- Recruiting, engaging and building relationships with landlords
- Providing information about RLRA guidelines and supporting landlords with paperwork
- Tracking vacancies and supporting the process of connecting RLRA tenants with available units

³ Oregon's program requires a court judgment before filing a claim; this requirement would not be included.

⁴ Oregon's program is limited to non-eviction related costs; this language is based on JOIN's LRRP.

- Providing neutral third-party mediation between landlords and service providers as needed

Project-based RLRA Regional Landlord Guarantee

Risk mitigation fund

All landlords with a project-based RLRA contract will have access to a risk mitigation fund modeled on the City of Portland's Risk Mitigation Pool (RMP) and administered by each County or a third-party regional entity.

- Landlords will be able to access the fund for the duration of the project-based contract.
- Eligible costs will be based on the RMP's guidelines, including:
 - Physical damage to unit or common areas beyond normal wear and tear that exceeds security deposit
 - Administrative fees (up to 5% of qualifying repairs) for supervision of repairs
 - Legal costs related to serious violations of lease or state law⁵
 - Unpaid rent (and utilities under certain circumstances), not to exceed 90 days
 - Rent during vacant turnover time, when that period exceeds 60 days
 - Holding units for qualified tenants beyond 60 days
- Coverage limits will be based on the RMP's guidelines (\$7,500-\$14,500 per unit for the life of the contract⁶).

Landlord commitments under RLRA Supportive Services Partnership Agreement

Same as for tenant-based RLG. In addition, landlords will be required to accept referrals from RLRA referral partners and the coordinated access system, notify partners when units are available, and hold vacant units open for qualified tenants for a specified period.

Service provider commitments under RLRA Supportive Services Partnership Agreement

Same as for tenant-based RLG.

⁵ The RMP only covers eviction-related legal costs; this language is based on JOIN's LRRP.

⁶ Maximum cumulative limit that a property can claim for the life of the program is based on a per-unit limit of \$7,500 for SROs, \$9,000 for studios, \$10,000 for one bedrooms, and \$14,500 for two+ bedrooms. These amounts also represent the maximum amount of a single claim. Claims >\$3,000 are reduced by the amount that could be recovered from insurance.