

Housing advocates, landlords go to the wire on Section 8 bill

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Progress of a bill that would prohibit discrimination against Section 8 tenants has slowed due to last minute intense, delicate negotiations between landlord and tenant advocacy groups. But it is still expected to pass the Oregon Legislature, largely due to the political clout wielded by its chief sponsor, Oregon House Speaker Tina Kotek (D-Portland).

House Bill 2639, known by many as the Oregon Housing Choice Act, would broaden the legal definition of a person's "source of income" to include federal rent subsidies and other forms of housing assistance. It would prohibit landlords from refusing to lease to people because they have a Section 8 voucher, which currently Oregon law allows. The bill would become law on July 1, 2014.

The bill currently sits in a subcommittee of the Legislature's budget-writing Ways and Means Committee, partly because the budget for the Oregon Housing and Community Services department is not yet finalized.

But lobbyists representing landlord interests continue to ask that provisions be added to the bill that ensure landlords are reimbursed for damages, and that smaller landlords are protected and do not have to deal with cumbersome federal requirements or paperwork.

"(Section 8) was designed to be a voluntary program," says Phil Owen, a landlord and lobbyist for the Rental Housing Association of Greater Portland, a group that has taken a neutral stance toward the bill. "You could participate or not, depending if you wanted to or not. (This bill) would make this mandatory. This is going to be forced on us."

Advocates say the bill would ultimately allow people in the Section 8 program to live in neighborhoods of their choosing and be close to work, their children's schools, their family and friends. "The benefits are going to be enormous," says Justin Buri, deputy director of the Community Alliance of Tenants, an advocacy organization.

There are 8,400 households on Section 8 vouchers in Multnomah County. To be eligible, people must make less than 50 percent of the median family income, less than \$34,000 for a family of four.

Voucher holders have 60 days to find a landlord who will accept their voucher; if they don't, the voucher is lost. Between January and September 2012, according to Home Forward, it took a voucher holder approximately 50 days to sign a lease. Out of 496 issued vouchers, 74 expired, a rate of 15 percent.

Steve Rudman, the executive director of Multnomah County's public housing authority Home Forward, points out that the bill does not require landlords to accept Section 8 tenants.

"This is about opportunity," Rudman. "All it does is require landlords to accept the application from people. If in the normal screening process, the applicant falls out, the applicant falls out. (The landlords ability) to shut out that opportunity to apply is what we believe needs to be addressed."

The legislation would put an end to advertisements in newspapers and Craigslist that say "Sorry, No Section 8".

When the bill was introduced in January,

"there was fierce opposition," Buri says, despite Kotek's efforts since September to collaborate with landlord organizations.

"We can't allow discrimination just because a person is a Section 8 holder," says Kotek. "I've worked very hard to address the issues raised by landlords. I think we've reached a compromise that will ensure housing access and choice for Section 8 holders while addressing concerns raised by landlord associations."

Three associations emerged as the bill's main opponents: the Rental Housing Association of Oregon, the Rental Housing Association of Greater Portland, and Multifamily NW. But rather than come out directly against the bill, landlord lobbyists have couched their opposition by loading the bill with numerous amendments.

Some of the salient amendments include:

- Making clear that landlords could still reject applicants based upon a tenant's rental history and their ability to pay rent,
- Creating a clear expectation for local housing authorities to carry out "timely inspections" of rental units,
- Mandating that lease lengths be "standard and customary for the dwelling unit involved,"
- Requiring local housing authorities to make an annual report to the Oregon Housing and Community Services department on how the program is working,
- Requiring a process allowing "landlords to provide regular input to local housing authorities,"
- Creating a "Statewide Housing Choice Advisory Committee" with membership from local housing authorities, tenants and landlords to review policies and reforms related to Section 8 housing.

Negotiations currently revolve around three issues, one of which concerns a "mitigation fund," an addition to the bill supported by landlord associations, that ensures landlords are paid for any damages caused by the tenant, beyond normal wear and tear. The fund is slated to have \$167,000 for the current biennium, and pay landlords between \$500 and \$5,000 for claims.

To be reimbursed, landlords would first have to sue the tenant in small claims court; if the court finds that the tenant caused the damage, the Oregon Community and Housing Services Department would pay the landlord for the repairs. The tenant would then pay the state agency back over time.

Home Forward has its own mitigation fund, which started paying landlords for damages up to \$2,000 three years ago. It has paid out five claims. "Our experience is that it hasn't been tapped much," Rudman says, a fact causing some advocates to doubt how necessary the mitigation fund really is.

Landlord and tenant lobbyists are still determining the exact requirements related to tenants paying back the state. "Everyone has different thoughts on that," Ryan Fisher, the lobbyist for the state's local housing authorities, says. "Individual circumstances are so different."

Owen says landlord groups continue to be concerned how small landlords, who rent 10 units or less, will be impacted by the bill. According to Owen, the Rental Housing Association of Greater Portland has 1,745 members, 90 percent of whom rent 10 units or less.

"They are not the big property owners that have the staff, time, experience and manpower to take care of a lot of these

issues," Owen says. "This is an emotional point for a lot of small landlords."

Owen and other landlord groups say that the program would burden small landlords. They say participating in the Section 8 program is excessively bureaucratic and time consuming. In addition to a typical lease, landlords must enter into contractual agreements with Home Forward, required by the federal Housing and Urban Development (HUD). "There are going to be a few rules or contracts," Rudman admits.

Liz Carpenter, president of the Rental Housing Association of Greater Portland, says that process can take between four to six weeks. The unit must remain vacant for inspection, meaning landlords lose money that could have been collected as rent during that time. For small landlords, Carpenter says, "that could be the profit for the year."

According to Home Forward, 2,500 landlords participate in the Section 8 program in Multnomah County, 70 percent of which are small landlords. "We work with small landlords often," says Jill Riddle, Home Forward's director of rental assistance programs, who adds that here has been little complaint.

Owen says he asked Kotek's office to amend the bill so landlords with less than 10 units would be exempt from the bill. "Kotek flatly turned us down," he says.

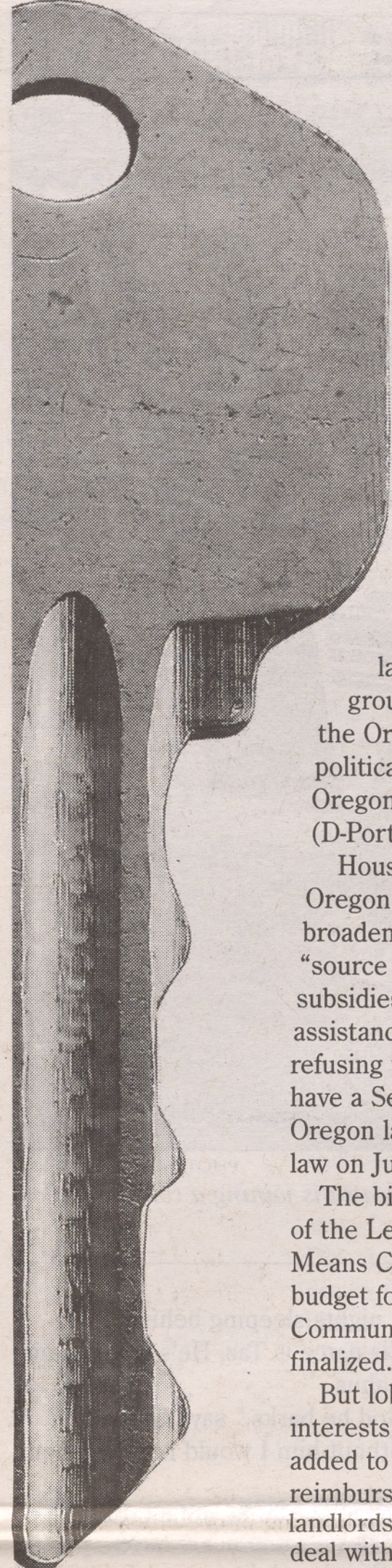
Issues surrounding small landlords are the reason why, Owen says, the Rental Housing Association is "probably a little more against the bill."

Owen rebuts the idea that tenants are not able to live in neighborhoods of their choice because of discrimination, saying that the problem lies in tenants' inability to pay the rent to live in that area. "Housing authorities don't pay enough rent," Owen says.

Riddle says Home Forward has raised the amount of rent the housing authority pays in recent years, and tracks where tenants live to see if it allows them to live in a variety of neighborhoods. "It is not changing," she says. "It's easy to say 'throw more money at it,' but I don't believe it's true."

Another issue affecting conversations about the Housing Choice Act is the impact of federal sequestration cuts. Home Forward, alone, is expecting its administrative budget to be cut between four and six million dollars, forcing the agency to make layoffs and take furlough days, which could impact services. Currently, Riddle says, Home Forward inspectors respond within five days for inspections and other requests from landlords. Fisher says it is inevitable that such response times will be affected by sequestration cuts, especially in areas of Oregon with smaller housing authorities.

"The timing (on sequestration) could not be worse," he says.



The Section 8 program is a public subsidy program supplementing the rent for low-income individuals and families. Tenants pay 30 percent of their rent, while the voucher pays the rest. Local housing authorities, such as Home Forward in Multnomah County, administer the program.