



CITY COUNCIL AGENDA REPORT

Meeting Date: 12/10/20

From: Stuart Schillinger, Deputy City Manager

Subject: Rental Assistance from the City's Housing Fund

Community Goal/Result

Community Building

Purpose

Assist residents of Brisbane who have been negatively impacted by COVID-19, which caused them to miss rental payments.

Recommendation

Direct staff to set-up a program of rental assistance for lower-income households with the guidelines approved by City Council.

Background

The State and the County have passed legislation that, as a practical matter, prohibit until February 2021 the eviction of residential home owners and tenants who are unable to make the mortgage or rent payments due to COVID-19 related issues, assuming, for tenants, that they pay a certain percentage of their rent between September 1, 2020 and the end of January 2021 and comply with certain notice requirements to their landlord if they are served with a notice to quit or pay rent. Nevertheless, the unpaid amounts will need to be repaid meaning that double payments will be required until the deferred rent has been repaid.

On October 15, 2020 City Council allocated up to \$100,000 from the City's Housing Authority Low Income Funds to be used to assist Brisbane residents who have missed rental payments due to COVID-19 related issues. The Council asked the City Council's Housing Subcommittee to outline a plan to implement this direction.

The Subcommittee met on November 3, 2020 and developed the basis for this program.

Discussion

The Council Subcommittee looked at programs throughout the State. These programs included San Mateo County, Menlo Park, Santa Clara, San Diego, Santa Rosa San Marcos, Temecula, and Downey. All of the programs had some basic features

- Eligibility Requirements

- Dollar amount of assistance
- How often can someone apply.

Based on information from other cities the Subcommittee is making the following recommendations

Eligibility

- Income at 80% or lower of Annual Median Income (Family of 4 \$139,200)
- Live in Brisbane
- Not related to Landlord
- Have a signed rental agreement
- Was current with rent as of March 16, 2020 (no pending evictions)
- Have accumulated past due rent
- Not receiving other COVID-19 related rental assistance
- Savings not available to cover past due rent

Grant Amount (similar program being run by San Mateo County)

- Maximum of \$4,000 per family
- Up to 80% of the amount of the rent owed
- Payment will be made to the Landlord
- Landlord will need to forgive the remaining rent up to \$5,000
 - Example: Renter owes \$2,500 in past due rent. City will provide Landlord \$2,000 and the remaining \$500 is forgiven.
 - Example: Renter owes \$8,000 in rent. City provides Landlord \$4,000. Landlord forgives an additional \$1,000. Renter still owes \$3,000.

Priorities – If we get more applications than available funds

- Families with children under the age of 18 living in the unit
- Pre-existing medical conditions which are impacted by the pandemic
- Lower income individuals

Application Process

- One-time application
- If all of the funds are not used or Council allocates more funding we will revisit the application process.

Administration

The subcommittee recommends using Samaritan House to administer the assistance program. Samaritan House has experience with this since they administer the rental assistance program for Menlo Park and other cities. The cost to administer the program will be \$12,000. Staff

would recommend that the administration of the program be paid for from General Fund to allow the maximum amount of funds being made available to renters. Although there is no budget for this expenditure, staff will review the budget at mid year and determine if there are enough savings in other line items to cover this cost or if revenues are higher than anticipated to cover the cost.

Fiscal Impact

Allocate \$100,000 from the Low-Moderate Housing Fund to provide a grant for rental assistance. Allocate \$12,000 from the General Fund for the cost of administering the program through Samaritan House.

Measure of Success

Up to 25 residents/families are able to afford to stay in the community.

Attachments

- 1) Information presented to Subcommittee.

Stuart Schillinger

Stuart Schillinger, Deputy City Manager

Clayton L. Holstine

Clay Holstine, City Manager

Suggested City Program

Eligibility

- 1) Income at 80% or lower of AMI prior to pandemic based on 2019 tax return
 - a. We might want to have this be higher up to 100% of AMI
 - b. We might want people who have fallen into this category due to the pandemic be eligible
- 2) Show impact of COVID-19 on Income
 - a. Notification of job loss/termination during pandemic
 - b. Notification of furlough during pandemic
 - c. Notification or employer signed form confirming reduction in hours
 - d. Application for or approval of Unemployment Insurance benefits
 - e. Notarized affidavit signed that includes the name of the household member who is self-employed, the name and nature of the business, and narrative confirming economic impact on self-employment during pandemic
- 3) Live in Brisbane
- 4) Not related to landlord
- 5) Have signed Rental Agreement
- 6) Have accumulated rent past due
- 7) Not receiving other COVID-19 related COVID assistance
 - a. We might want to waive this to provide people with maximum amount of assistance

Grants

- 1) Up to 80% of rent for 3 months.
 - a. The number of months or the percent may be different
- 2) Payments to Landlord.
 - a. Landlord needs to forgive the balance

Application Process

- 1) Can apply only once
- 2) Applications taken for a 10 day period for each month the City is in a declared emergency
 - a. Or we might want to do this as a one-time process. The downside of doing it only once is different households might be impacted at different times

Background Information

California

- Can't be evicted before 2/1/2021
 - COVID related hardship between March 4 – 1/20/21
 - If can't pay between 9/1/20 and 1/31/21
 - Must pay 25 of rent due to avoid eviction

San Mateo County

- Small Property Owner Assistance – Property Owners apply

- 2 week application
- Landlord must live in San Mateo county and lease property within County, earned income less than \$400,000
- Rental unit must not exceed 2020 HUD Fair Market threshold for San Mateo County
 - Studio - \$2,197
 - 1-Bedroom - \$2,720
 - 2-Bedroom - \$3,339
 - 3-Bedroom -\$4,365
 - 4-Bedroom -\$4,657
- Demonstrated losses between April 1, and August 31, 2020
- Grant up to 80% of rent owed to a maximum of \$6,000
 - Examples
 - \$5,000 owed Landlord receives \$4,000 all \$5,000 forgiven
 - \$7,500 owed Landlord receives \$6,000 all \$7,500 forgiven
 - \$10,000 owed Landlord receives \$6,000 \$7,500 forgiven renter still owes \$2,500
- Menlo Park
 - \$100,000
 - Administered by Samaritan House
- Housing Industry Foundation
 - Grant up to \$2,500 for people who can't make rent due to "no-fault" of renter.
 - Medical costs, injury, temporary loss of income, unanticipated expenses, or victim of a crime

Other areas

- Santa Clara
 - Reside in Santa Clara
 - Accumulated past due rent since April 2020
 - Household income does not exceed 80% of Area Median Income
 - Needed to qualify
 - 2019 Tax return (if self-employed)
 - Bank statements from June – September
 - Pay stubs June – September
 - Two proof of residency
 - Unemployment benefit statement if applicable
 - Copy of most recent lease agreement
 - Amount of assistance 85% of the Actual Rent or Fair Market rent
 - \$1,577 - \$7,240 depending on number of bedrooms
- San Diego
 - Provide one-time payment of up to \$4,000 – paid directly to landlord
 - San Diego address
 - Household income in January 2020 was at or below of 60% of San Diego Area Median Income (AMI)
 - Not currently receiving rental subsidies

- Not a tenant of the San Diego Housing Commission
- Household does not have savings to meet financial needs
- Household as eligible immigration status
- Household experiencing hardship directly related by COVID-19
- Priority given to
 - Families with minor children
 - Household with at least one person 62 or older
- Santa Rosa
 - Household income at or below 60% of the Area Median Income
 - Loss or decrease in wages due to COVID-19 pandemic
 - At least one member of the household who is a documented U.S. citizen
 - Up to \$12,000 per household
- San Marcos
 - Funded through CDBG
 - Up to \$10,000 per household
 - Income requirement no more than 80 of AMI
 - Up to 6 months of partial or full rent
 - Were current prior to March 16 ,2020
 - Not related to the property owner
- Temecula (Through a Riverside County program)
 - Applications open every month for a 10 day period
 - Up to \$3,500 to cover past rent (April – November)
 - Lease Agreement
 - Documented COVID-19 related financial impact
 - Can only apply once per household
 - Landlord receives payment
 - Rent cannot exceed 150% of Fair Market Rent
- Downey
 - Reside in Downey
 - Household Income does not exceed Moderate Income level
 - Impacted by COVID-19 on or after April 1, 2020
 - Current residential lease agreement
 - Confirmed rental balance
 - Paid to Landlord
 - Up to 1 month of rent
 - How to document loss of income
 - Notification of job loss/termination during pandemic
 - Notification of furlough during pandemic
 - Notification or employer signed form confirming reduction in hours
 - Application for or approval of Unemployment Insurance benefits
 - Notarized affidavit signed that includes the name of the household member who is self-employed, the name and nature of the business, and narrative confirming economic impact on self-employment during pandemic