



## HOUSING AUTHORITY AGENDA REPORT

**Meeting Date:** 10/15/2020

**From:** Stuart Schillinger, Deputy City Manager

**Subject:** Use of Housing Authority Funds to assist Low-Moderate Renters/Homeowners with Payments Due to COVID-19 Related Issues.

### Community Goal/Result

Community Building

#### Purpose

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

#### Recommendation

Allocate \$100,000 of Housing Authority Low Income Funds for the purpose of rental and mortgage assistance.

#### 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.

#### Discussion

The Housing Authority is allowed to use up to \$100,000 on an emergency basis to allow homeowners and renters to stay in their homes.

The process for determining who would be eligible will be difficult. The applicants would need to meet the income guidelines for low-moderate households within San Mateo County. They would also need to show that they had missed mortgage or rent payments due to a COVID-19 related reason.

Use of Housing Authority Funds to assist Low-Moderate Renters/Homeowners with Payments Due to COVID-19 Related Issues.

Currently, the City does not have access to this information and it would need to set up an application method if the Housing Authority wishes to pursue this type of program. If the Housing Authority wishes to set up this program, staff will report in November or December with various methods for administering the program.

For example, the County has a county-wide program to assist renters by providing funds to landlords up to a certain dollar amount if they forgive the rent owed. The Housing Authority would want to make sure any program it has does not conflict with or duplicate this program.

Other examples include the Santa Rosa which has a City program for rental assistance, which provides one-time assistance to households below 60% of the Area Median Income. The City of Vista has a program that allows for up to 3 months' rent (maximum of \$5,000). The City of Downey had a program which allows for a maximum of one-month rent for low and moderate income households. San Marcos' program was for people who had a household income of 80% of the Area Median Income and provided rental assistance for up to 6 months of rent, to a maximum of \$10,000.

There are enough other programs in order for staff to recommend what would be the best fit Brisbane and meet the guidelines for the use of Housing Authority funds for this purpose. Other cities are using Community Development Block Grant, which the City/Housing Authority does not receive directly.

### **Fiscal Impact**

The Housing Authority's Lower Income Housing Fund has \$1,900,000. Therefore, there is enough money available if the Housing Authority wishes to allocate \$100,000 towards this purpose.

### **Measure of Success**

Assist Brisbane residents in staying in their homes who were financially impacted by COVID-19.

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