



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution authorizing the creation of a Pilot Rent Relief Program, Approve Related Budget Amendment, and prepare and execute a Professional Services Agreement with Silicon Valley Independent Living Center (Staff Contact: Sharon Goei, 408-586-3260)
Category:	Community Development
Meeting Date:	9/17/2019
Staff Contact:	Sharon Goei, 408-586-3260; Robert Musallam, 408-586-3275
Recommendations:	<ol style="list-style-type: none">1. Adopt a Resolution authorizing the creation of a Pilot Rent Relief Program.2. Approve a Budget Amendment to appropriate \$100,000 from the Affordable Housing Fund to the FY 2019-20 Housing Operating Budget for Silicon Valley Independent Living Center (SVILC) to implement the Pilot Rent Relief Program.3. Authorize the City Manager to prepare and execute a one-year Professional Services Agreement with Silicon Valley Independent Living Center to manage the Milpitas Pilot Rent Relief Program.

Background:

On February 20, 2018, the City Council approved the formation of the Tenant Protection Task Force. The Task Force was established in September 2018, consisting of tenant and landlord representatives, to develop recommendations that would address tenant challenges experienced in Sunnyhills and similar communities. Representatives of the tenant community serving on the Task Force included Project Sentinel, Law Foundation of Silicon Valley, the President of the Sunnyhills Apartment Tenants Association, and Silicon Valley Independent Living Center. Representatives of the landlord community serving on the Task Force included California Apartment Association, an apartment property manager, a landlord representative, and Santa Clara Association of Realtors.

The Task Force meetings spanned from September 2018 through February 2019. The landlord and tenant groups met separately from each other in October, November, and December. Subsequent joint meetings in January and February were held to identify any commonalities the groups shared including core values. The results of the Tenant Protection Task Force were presented to the City Council on April 2, 2019.

On May 7, 2019, the City Council met to consider Council/Mayor requests for an urgency ordinance for rent control and an urgency ordinance for just cause eviction. While Council did not approve moving forward on the urgency ordinances, it did approve the establishment of a new City Council Housing Subcommittee to continue to address the needs of the community based on the community feedback the Council received. Councilmembers Montano and Nuñez were appointed to serve on this newly formed subcommittee.

On May 21, 2019, the City Council Housing Subcommittee held its first meeting. The Subcommittee acknowledged the May 7 Council decision to not pursue rent control and just cause ordinances, and sought alternatives to provide tenant assistance by brainstorming ideas, which included the implementation of a rent relief program. From May through September 2019, the Subcommittee held eleven Subcommittee meetings that were open to the public to discuss and direct City staff on their vision for the rent relief program.

On June 4, 2019, the City Council met to consider recommendations for Community Development Block Grant (CDBG) funds. The Council established an Ad Hoc CDBG Funding Subcommittee consisting of Vice Mayor Dominguez and Councilmember Nuñez. Through the work of the Ad Hoc CDBG Subcommittee, staff

was able to establish partnership opportunities with the Silicon Valley Independent Living Center (SVILC) for the Pilot Rent Relief Program that the Housing Subcommittee is proposing.

On August 6, 2019, the Housing Subcommittee recommended budgeting \$100,000 for the one-year Pilot Rent Relief Program.

On September 11, 2019, Assembly Bill 1482 overwhelming passed the Assembly and the Governor is expecting to sign the bill shortly. The bill is set to limit rent increases across the state to 5 percent plus cost of living inflation, up to 10 percent.

The staff recommendations reflect the direction provided by the City Council Housing Subcommittee. To stay up-to-date on the progress and work being accomplished by the Housing Subcommittee for the Milpitas community, visit the [Housing Subcommittee website Latest News and Updates](#).

Analysis:

City staff met with the Silicon Valley Independent Living Center (SVILC), the McKinney Vento/Homelessness Liaison for Milpitas Unified School District, SV@Home, and Catholic Charities to identify the different populations that could benefit from a potential rent relief program.

Eligible Recipients

The proposed City of Milpitas' Pilot Rent Relief Program would provide various forms of financial assistance to Milpitas residents and families that have emergency housing needs.

Eligible recipients would include the following:

- Low-to-moderate income individuals and families with dependent children under age 18;
- Seniors who are age 55 and older;
- Disabled individuals;
- Victims of domestic violence;
- Emancipated foster youth;
- Section 8, Below Market Rate Rentals and other housing opportunities providing a subsidy; and
- Other residents experiencing a high cost of living not captured under eligible recipients (potential eligibility through referral from a resource partner listed on the City of Milpitas' website).

The eligible recipient must be able to demonstrate that they are a resident of Milpitas. For the purpose of this program, a resident of Milpitas is defined as an individual or family that has resided in Milpitas for at least six months. However, depending on the assistance provided, and at staff's discretion, an eligible recipient may be able to receive assistance with a residency requirement as early as three months. Exceptions may also be considered for emergency situations.

Types of Available Assistance

The Pilot Rent Relief Program provides eligible recipients relief funding for the following:

- **Rent/Deposit Relief:** Eligible recipients applying for housing may request first month's rent and deposit assistance to help secure housing.
- **Emergency Hardship Relief:** Eligible recipients may apply for a one time, emergency relief after an unforeseen hardship.
- **Eviction Prevention:** Eligible recipients may apply for eviction prevention relief if they have received a three-day notice to pay or quit or are substantially behind on rent.
- **Domestic Violence Relocation:** Victims of domestic violence may apply for emergency relocation relief. Eligible recipients would apply via referral from a known domestic violence referral partner.
- **Child & Family Homelessness Relief:** Foster children or homeless families with school age children experiencing temporary homelessness may apply for emergency housing relief to obtain temporary,

secure housing (motel, hotel, etc.). Families may then use rent/deposit relief to move into more permanent housing. Eligible recipients would apply via referral from a known referral partner.

- **Section 8 Good Faith Deposits:** Eligible recipients experiencing processing delays with the Santa Clara County Housing Authority may apply for a one time, good faith deposit to bridge the financial gap between securing a place to live and when the Housing Authority's rent payment begins.

The maximum amount of relief would be \$5,000, annually per household. However, foster children, homeless families with school age children, and victims of domestic violence are not subject to this maximum amount. The amount of relief approved would be determined on a case-by-case basis. Relief would be provided in the form of grants paid directly to the landlord.

Because the Housing Subcommittee would like to offer rent relief to eligible Milpitas residents as quickly as possible, staff recommends contracting with Silicon Valley Independent Living Center (SVILC) to administer the program during the one-year pilot period. SVILC is an experienced service provider and currently manages direct rental assistance programs for Season of Sharing and the City of Gilroy. Additionally, they currently assist their clients with other rental assistance programs such as: 1) the Housing Trust Fund; 2) Emergency Food and Shelter Program (FEMA); 3) Money Follows People/Medi-Cal and Department of Rehabilitation Transition Fund for nursing facility residents; 4) Mercury-News Holiday Wish Book for home modifications not funded elsewhere; and 5) County Office of Supportive Housing funding for those referred through the Homeless Management Information System screening. Based on their experience, SVILC estimates their service cost would be approximately \$1,290 per referral.

If the Pilot Rent Relief Program is extended, the Housing Subcommittee recommends conducting a request for proposal (RFP) process so other non-profits could apply for administration of the Rent Relief Program. The one-year pilot period would allow staff to gather data, evaluate the results, and refine the program for preparing the RFP. The City's objective is to issue an RFP at the six-month point of the one-year pilot period.

Staff will be working closely with SVILC to collect the data we believe is necessary to evaluate the program. While staff is still detailing the final metrics they intend to collect, at minimum, the City will receive a monthly report outlining the following information:

- Standard demographics of each person that contacts SVILC for assistance
- The type of assistance they are requesting
- How much they are requesting
- Why that assistance is needed? In other words, did they receive a rent increase, eviction notice, etc...?
- Actions taken by SVILC. Was the applicant qualified/disqualified? Why/why not?
- What was the outcome?

This data will help staff make regular updates to the Housing Subcommittee and to give the Subcommittee the data they need to make future decisions to benefit the renters in our community and to consider continuation of the program beyond the pilot period.

Policy Alternative:

Alternative: The City does not create a pilot rent relief program.

Pros: The City would save \$100,000, plus staff time and resources.

Cons: The tenant community will not have direct access to a relief program designed specifically for Milpitas residents.

Reason for Not Recommending: The Housing Subcommittee has developed the pilot rent relief program to provide the most vulnerable Milpitas residents the short term assistance they need to stay in their homes and to avoid displacement.

Fiscal Impact:

To fund this Pilot Rent Relief Program, staff recommends that Council approve a budget amendment in the amount of \$100,000 from the Affordable Housing Fund. Staff will monitor the initial allocation and evaluate if

additional funds will be needed in the current FY 2019-20 operating budget. In addition to funding the pilot program, existing staff time will be allocated to establish the pilot program.

California Environmental Quality Act:

The action being considered has no potential for causing a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

Recommendation:

1. Adopt a Resolution authorizing the creation of a Pilot Rent Relief Program
2. Approve a budget amendment to appropriate \$100,000 from the Affordable Housing Fund to the FY 2019-20 Housing Operating Budget for Silicon Valley Independent Living Center (SVILC) to implement the Pilot Rent Relief Program.
3. Authorize the City Manager to prepare and execute a one-year Professional Services Agreement with Silicon Valley Independent Living Center to manage the Milpitas Pilot Rent Relief Program.

Attachments:

- a. Resolution and Exhibit
- b. Budget Change Form