

City of Milpitas, California

BUDGET CHANGE FORM

| Type of Change | From* | | To* | |
|---|-----------------|------------------|--------------------|------------------|
| | Account | Amount | Account | Amount |
| Check one: <input checked="" type="checkbox"/> Budget Appropriation <input type="checkbox"/> Budget Transfer | 216-2909 | \$100,000 | 216-5364237 | \$100,000 |

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)

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 passed the Legislature and the Governor is expecting to sign the bill. The bill is set to limit rent increases across the state to 5 percent plus cost of living inflation, or 10 percent, whichever is lower.

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*.

This item was originally scheduled for the September 17, 2019 Council meeting and has been rescheduled for the October 15, 2019 Council meeting.

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;
- 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.

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 (SVILV) 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, including Exhibit A to the Resolution, to authorize the creation of a Pilot Rent Relief Program
- b. Budget Change Form

☒ Check if City Council Approval required.

Meeting Date: October 15, 2019

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| Requested by: | Department Head: Sharon Goei | Date: October 15, 2019 |
| Reviewed by: | Finance Director: Walter C. Rossmann | Date: October 15, 2019 |
| Date approved by City Council, if required: | | Confirmed by: |