

City of San Diego
San Diego Housing Commission (SDHC)

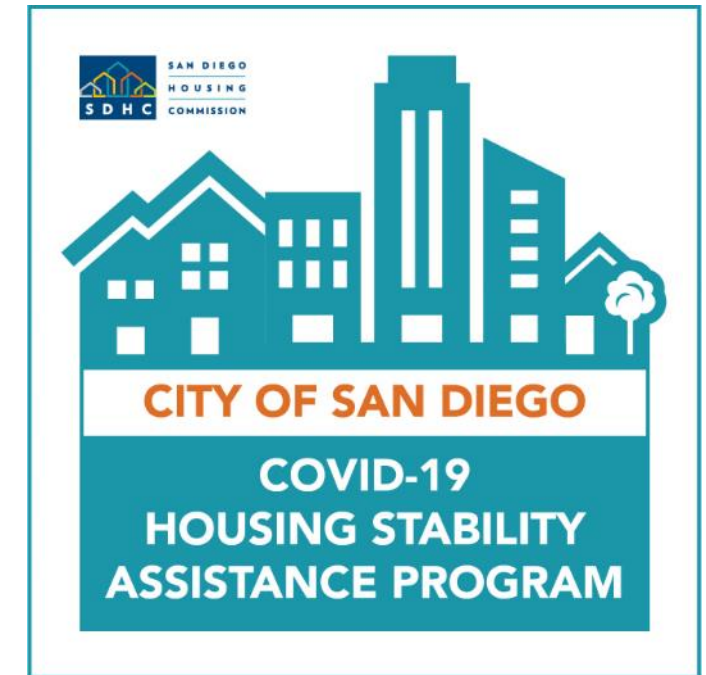
COVID-19 Housing Stability Assistance Program

Housing Authority, Item #1
City Council, Item # 331
October 5, 2021



City of San Diego COVID-19 Housing Stability Assistance Program Overview

- February 22, 2021: San Diego City Council authorized the program.
- March 15, 2021: Online application launched at covidassistance.sdhc.org
 - Application available in English, Spanish and Vietnamese
- The program helps pay rent and utilities for City of San Diego households with low income that experience financial hardship due to or during the ongoing COVID-19 pandemic.
- The program also helps pay past-due internet service expenses.



City of San Diego COVID-19 Housing Stability Assistance Program Payments

- As of September 30, 2021:
 - Payments Disbursed: \$103,579,950.47
 - Households Assisted: 11,816
- All of the funding available to help San Diegans through the program has been fully obligated to assist households with low income, including applicants who have preliminary approval, subject to review and confirmation of their documentation.
- Even if the additional funds requested today are authorized, the total obligations for assistance payments still exceed the funding to help qualifying households.
- SDHC is working with Mayor Todd Gloria's office on efforts to obtain additional funding.
 - U.S. Treasury Department is working on process to reallocate funds after October 15, 2021.



The COVID-19 Housing Stability Assistance Program helped Eric keep his rental home and avoid homelessness.

City of San Diego COVID-19 Housing Stability Assistance Program Applications

Applications

- 25,747 applications submitted as of 9 a.m. September 30, 2021
 - Includes 3,335 individuals who updated information on previously submitted applications and/or are requesting additional assistance
 - 75.5 percent with income up to 30 percent of San Diego's Area Median Income (AMI)
 - 19 percent with income from 31 percent to 50 percent of AMI
 - 4.9 percent with income from 51 percent to 80 percent of AMI
 - 0.6 percent with income above 81 percent of AMI
- 25,016 additional applications started and pending completion

City of San Diego COVID-19 Housing Stability Assistance Program Additional Funding

- July 27, 2021: City Council and Housing Authority authorized \$60.1 million in additional funds for assistance payments and administrative expenses, predominantly from the American Rescue Plan Act (ARPA) signed into law March 11, 2021, by President Joe Biden.
 - \$54,539,063.20 ARPA funds allocated directly to the City of San Diego from the U.S. Department of the Treasury
- State of California has allocated an additional \$39,712,779 in federal ARPA funds to the City of San Diego.
 - If approved, funds would support the continued operation of the COVID-19 Housing Stability Assistance Program to help additional households pay their rent and utilities to avoid being displaced from their homes.

City of San Diego COVID-19 Housing Stability Assistance Program Eviction Prevention & Education Program

- Funds initially approved for the COVID-19 Housing Stability Assistance Program included \$5 million from Coronavirus Aid, Relief, and Economic Security (CARES) Act Community Development Block Grant (CDBG-CV) funds awarded to the City of San Diego.
- In consultation with the Mayor's office, SDHC proposes expending the \$5 million in CDBG-CV funds on a new eviction prevention and education program:
 - Collaboration with the City of San Diego and a to-be-selected service provider
 - May include:
 - Outreach and education
 - Legal representation and case management
 - Legal services for households with undocumented immigration status. .

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COVID-19 Housing Stability Assistance Program

Eviction Prevention and Education Program (Continued)

- The proposed program will provide support for tenants as eviction prevention provisions of state Assembly Bill 832 are implemented, such as:
 - Tenants generally are protected from eviction for nonpayment of rent due between March 1, 2020, and September 30, 2021, if that nonpayment is the result of a hardship related to the COVID-19 pandemic and the tenant has paid any required portion of the rent.
 - Tenants cannot be evicted for unpaid rent accrued March 1, 2020, through August 31, 2020. Unpaid rent during this period converts to consumer debt.
 - Tenants are required to pay at least 25 percent of the rent they owe during the period September 1, 2020, through September 30, 2021.
 - Landlords are required to provide a notice to tenants who, as of July 1, 2021, have not paid one or more months of rent during this time period.
 - Tenants are required to provide their landlord a Declaration of COVID-19-related financial distress within 15 days of receiving notice from their landlord.

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COVID-19 Housing Stability Assistance Program Eviction Prevention and Education Program (Continued)

- Beginning November 1, 2021, for the Superior Court to process an Unlawful Detainer action (eviction) for unpaid rent accrued during the period October 1, 2021, through March 31, 2022, the landlord must provide:
 - Proof that an application for emergency rental assistance was submitted and denied, or
 - That an application was submitted and after 20 days there was no notification received that the tenant completed their portion of the application, and the tenant has not otherwise informed the landlord of a submitted application.
- If an eviction is court-approved, but the Sheriff has not yet initiated a lock-out, tenants may still submit to the court proof of rental assistance approval, and the court will determine within 5-10 days whether the rent can be paid and the eviction be avoided.
- Local ordinances may take effect April 1, 2022.
- Tenants may still be evicted for “just cause” throughout this time period, such as tenant lease violations, tenant criminal activity, or the owner withdrawing the property from the rental market.

City of San Diego COVID-19 Housing Stability Assistance Program Eviction Prevention and Education Program (Continued)

Next Steps

- Request for Qualifications Issued September 30, 2021, with responses due October 4, 2021
- Evaluation of responses to select potential program operator
- Negotiations on terms of agreement with the potential program operator
- Presentation of the program to the SDHC Board of Commissioners and Housing Authority for action

City of San Diego COVID-19 Housing Stability Assistance Program SDHC Staff Recommendations

That Housing Authority of the City of San Diego take the following actions:

- Authorize SDHC to execute an amendment to the Memorandum of Understanding (MOU) between SDHC and the City of San Diego for SDHC to continue to oversee and administer the City of San Diego's COVID-19 Housing Stability Assistance Program with new funding to provide emergency rental assistance and/or utility assistance to households with low income in the City of San Diego that experience financial hardship and to reallocate federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Community Development Block Grant (CDBG-CV) funds, awarded to the City of San Diego and previously allocated to SDHC, to unobligated CDBG for the creation of an eviction prevention and education program to be administered by SDHC;
- Authorize SDHC to amend its Fiscal Year 2022 budget in the amount of \$39,712,779.17 in federal American Rescue Plan Act (ARPA) funds allocated by the State of California to the City of San Diego to be administered by SDHC to provide rental assistance and/or utility assistance to households with low income in the City of San Diego that experience financial hardship and to cover administrative expenses in accordance with federal and state funding requirements;

City of San Diego COVID-19 Housing Stability Assistance Program SDHC Staff Recommendations (Continued)

- Authorize SDHC to reallocate \$5,000,000 from federal CARES Act CDBG-CV funds, awarded to the City of San Diego within City of San Diego Fund 600000, Grant 1000651-2021, and previously allocated to SDHC, to the City's CDBG Unobligated account for the creation of an eviction prevention and education activity to be administered by SDHC;
- Authorize SDHC's President & CEO, or designee, to modify the COVID-19 Housing Stability and Assistance Program, if necessary, without further action by SDHC's Board of Commissioners (Board) or the Housing Authority, but only if and to the extent that such changes comply with the terms of the executed amended MOU and are necessary to fulfill federal and state funding requirements;
- Authorize SDHC's President & CEO, or designee, to substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement this approval and delegation of authority by SDHC upon advice of the General Counsel; and
- Authorize SDHC's President & CEO, or designee, to execute all necessary documents and instruments that are necessary and/or appropriate to implement these approvals, in a form and format approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals.

City of San Diego COVID-19 Housing Stability Assistance Program City Staff Requested Actions

- The Chief Financial Officer is authorized and directed to accept, appropriate and expend an amount not to exceed \$39,712,779.17 in federal American Rescue Plan Act (ARPA) funds, allocated by the State of California directly to the City of San Diego, for the City's COVID-19 Housing Stability Assistance Program (HSAP), contingent upon the funds being secured, and to transfer an amount not to exceed a total of \$39,712,779.17 to SDHC for HSAP; and
- Authorize the transfer of \$5 million within Fund 600000, Grant 1000651-2021, from federal Coronavirus Aid Relief, and Economic Security (CARES) Act Community Development Block Grant (CDBG-CV) funds, awarded to the City of San Diego and previously allocated to SDHC for emergency rental assistance through HSAP, to the City's CDBG unobligated account for a future eviction prevention activity administered by SDHC; and

City of San Diego COVID-19 Housing Stability Assistance Program City Staff Requested Actions (Continued)

- Authorize an approval of a second amendment to the Memorandum of Understanding (MOU) between the City of San Diego and SDHC to include new funding to provide emergency rental assistance and/or utility assistance to households with low income in the City of San Diego that experience financial hardship; and
- Authorize the City to amend the FY21 Annual Action Plan to reflect this CDBG-CV change and submit to the U.S. Department of Housing and Urban Development (HUD).



Questions & Comments