

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Councilmember Esparza

**SUBJECT:** SEE BELOW

**DATE:** 2/08/2021

Approved

*Maya Esparza*

Date: 2/08/2021

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## **SUBJECT: EMERGENCY RENTAL ASSISTANCE PROGRAM**

### **RECOMMENDATION**

1. Accept Staff report and recommendations on implementation of its Emergency Rental Relief Program, including adoption of a Hybrid program whereby the City would administer the \$30 million in federal funds, and the state would administer the \$32 million in state funding for landlords and tenants.

### **BACKGROUND**

As we prepare to enter the second year of this unprecedented global pandemic and the consequent economic disaster it has brought upon our communities, thousands upon thousands of our families continue to struggle to meet their basic needs. Renters make up 45% of San José's population, and 40% of our residents are low-income. These renters already faced severe rent burdens before Covid are facing an existential threat.

Recent numbers provide a sense of the enormous depth of this need. Policy Link's recent report indicates that 37,305 households here in Santa Clara County owe a combined \$173.5 million in back rent. 22,269 of these households are low-income, and owe a staggering \$84.3 million, which averages nearly \$3,800 per household. But these number alone do not tell the whole story. They do not tell the stories of the countless families who have been taking on massive amounts of debt, borrowing money from anywhere they can, cutting back on other basic necessities, and deferring or missing payments on utility and medical bills to make sure that they can scrape together rent each month. They don't tell the stories of our essential workers, whose shifts have been cut but who still put themselves and their families on the front lines of the pandemic, keeping our society running even as they struggle to make enough to make ends meet. And they don't tell the stories of our parents who are giving everything they have to balance childcare with the need to provide for their children.

As a city, we have already dedicated over \$25 million for direct rental assistance for tenants and landlords. I commend the extraordinary efforts of Destination: Home and Sacred Heart Community Services, who have led the Santa Clara County Homeless Prevention System's

rental relief efforts in partnership with over 70 CBOs and distributed over \$31 million in rental relief countywide in 2020. Per Destination: Home, this effort also leveraged some \$30 million in private and philanthropic funding, and brought direct rental assistance to over 14,00 of our highest need families and communities.

The data from this program, detailed in the attachment to this memorandum, supports what we have long known about the impact of this pandemic on our communities of color. 94% of those who received assistance were people of color, 77% were Extremely Low Income, and 68% were households with children. Though the effort was countywide, two-thirds of the funding went to residents in San José, and over one-third went to five of our most heavily impacted East San Jose ZIP codes, 95122, 95116, 95111, 95112, and 95127. Households had lost, on average, a staggering two-thirds of their income due to the impacts of the pandemic, with average incomes of \$1000 per month and average rent of \$1700 per month, for an average back rent debt of \$5,000. Highlighting the stark digital divide impacting our communities, 25% of those households were not able to access an online payment platform.

While this effort has undoubtedly saved many families from financial ruin and homelessness, we know that there are thousands more families who have yet to receive any rental assistance and are facing dire situations. Despite the local and state eviction moratoria that have been in place since last March and September, respectively, Housing staff as indicated that at least 45 unlawful detainers have been filed since March 2020.

For thousands of our families, the eviction cliff remains a constant source of anxiety and fear. The additional incoming federal and state aid will serve as a critical lifeline to these families, and we must carefully develop an administrative system for these funds that will best suit the needs of our most vulnerable families. I strongly support the hybrid approach recommended by staff, whereby the City would oversee the distribution of the \$30 million in federal funding, while leaving the state to administer its own funds. This would provide the necessary flexibility to allow us to target our lowest-income communities and those tenants who have nontraditional landlord relationships, while leveraging our existing networks and community partners who have already proven highly effective at reaching our most vulnerable residents.

If we do not act, and act swiftly, we will see thousands more families facing financial catastrophe. Some will be forced to leave the friends and communities they call home, while others will end up without homes altogether.

# FINANCIAL & RENTAL RELIEF DURING THE COVID-19 PANDEMIC



The most severe impacts stemming from the COVID-19 pandemic have fallen upon the poorest and most vulnerable members of our community. Already struggling in our extremely high-cost region, these residents have suffered the brunt of job losses, temporary workplace closures or reduced hours during the pandemic - pushing many into financial crisis and towards the edge of homelessness.

That's why Destination: Home, Sacred Heart Community Service and a large coalition of partners have come together to deliver critical financial aid to those in-need through the existing countywide Homelessness Prevention System and several special time-limited assistance programs.

Since March, this coordinated financial and rental relief effort has provided:

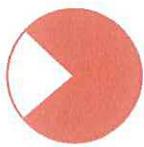


**\$31 Million** in Direct Financial Assistance

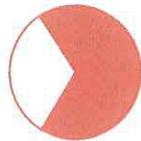


to **14,000** Low-Income Households in Need

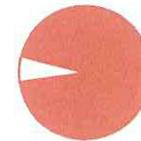
## THE HOUSEHOLDS WE'VE SERVED



**77%**  
Extremely Low Income  
*(make < 30% of the area median income)*



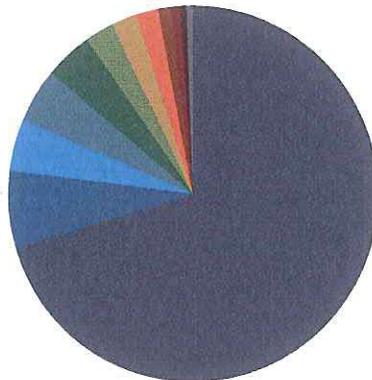
**68%**  
Included Children



**94%**  
Identified as People of Color

## FINANCIAL ASSISTANCE DISTRIBUTED BY CITY

San Jose	\$21,590,090
Sunnyvale	\$2,025,761
Gilroy	\$1,444,777
Santa Clara	\$1,410,673
Mountain View	\$1,268,265
Milpitas	\$804,868
Morgan Hill	\$684,981
Campbell	\$588,370
Palo Alto	\$351,574
Los Gatos	\$226,605
San Martin	\$162,195
Cupertino	\$131,656



## MORE THAN 1/3 OF THE FUNDING HAS GONE INTO FIVE HIGHLY-IMPACTED EAST SAN JOSE ZIP CODES



All data reflects progress as of December 31, 2020

This community-wide financial and rental relief effort is a unique collaboration between dozens of public and private partners, and a part of Silicon Valley Strong

**SILICON VALLEY STRONG FUND**  
COMMUNITY CONQUERING COVID-19

We are grateful to the many public, private, philanthropic and non-profit partners who made it possible to assist those who've been severely impacted by this unprecedented crisis.

Our deepest thanks goes to the dozens of donors who generously contributed to our COVID-19 relief efforts:



We are also thankful for the non-profit partners who have been instrumental in helping us reach and serve vulnerable residents throughout our community:



**WE NEED YOUR HELP TO ASSIST MORE RESIDENTS IN-NEED**

Sadly, the need in the community is vastly larger than the resources we have available. In fact, since launching the program, we've received more than 40,000 requests for assistance. We must come together to assist struggling neighbors in-need.

Learn how you can support our COVID-19 financial and rental relief efforts by visiting: [www.DestinationHomeSV.org](http://www.DestinationHomeSV.org)