



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: November 16, 2021

Approved

Date

11/23/21

SUBJECT: AUTHORIZATION TO NEGOTIATE AND EXECUTE GRANT AGREEMENTS WITH COUNTY OF SANTA CLARA AND LAW FOUNDATION OF SILICON VALLEY FOR EVICTION PREVENTION LEGAL SERVICES AND OUTREACH

RECOMMENDATION

Adopt a resolution to:

- (a) Authorize the City Manager to negotiate and execute a contract with the Law Foundation of Silicon Valley, in an amount not to exceed \$1,400,000 for a term retroactive from September 13, 2021 through June 30, 2023 to provide outreach and education to low income San José residents on the eviction moratorium protections and provide in person and virtual legal services at the Eviction Prevention Help Centers; and
- (b) Authorize the City Manager to negotiate and execute a Cost Sharing Agreement with the County of Santa Clara for up to \$1,250,000 for its Community Health and Business Engagement Team to provide outreach to tenants and landlords on the eviction moratorium, CA COVID-19 Rental Assistance program, and provide application assistance to Santa Clara County residents for a term retroactive from October 1, 2021 through June 30, 2022.

OUTCOME

City Council approval of this item will allow the Administration to execute agreements and disburse funds to Law Foundation of Silicon Valley (Law Foundation), to launch a new phase of support at the City's Eviction Prevention Help Centers, which now offer legal services and education. An additional agreement with the County of Santa Clara for their Community Health and Business Engagement Team (CHBET) will inform residents of protections under AB832, CA COVID-19 Rental Assistance program, and help tenants and landlords with application assistance. The Housing Department's rental assistance and legal services and education efforts continue to prioritize our most vulnerable residents who have been hardest hit by the COVID-19 pandemic and pandemic-

induced recession. Efforts are focused on extremely low-income renters with incomes below 30% of the Area Median Income who do not have traditional rental or lease agreements and are at high risk of displacement and homelessness.

BACKGROUND

City Council prioritized emergency rental assistance and eviction prevention, efforts which are critical to our residents' ability to recover from the COVID-19 pandemic and pandemic-induced recession. These two items make up the Housing Stabilization item on the Council-adopted City Roadmap. Housing Stabilization ranks as the most urgent roadmap item under the Community and Economic Recovery Enterprise Priority.

In March 2021 City Council accepted more than \$30,000,000 in Emergency Rental Assistance funds from the U.S. Department of the Treasury to aid San José tenants and landlords who have been negatively impacted by the COVID-19 pandemic.¹ Additionally, on October 5, 2021, the City Council approved the City's participation in the State's rental assistance program.²

On May 25, 2021 Council approved the 2021-2022 Proposed Operating Budget for the Eviction Prevention Help Center in the amount of \$3,100,000 through the American Rescue Plan Fund and the Emergency Reserve Fund³. Included in that approval was the workplan to expand the Eviction Prevention Help Center to include legal services and education for tenant information and resources. On August 31, 2021 Council approved the use of Google Community Benefits funds to support outreach to tenants and landlords on the eviction moratorium and rental relief funding⁴.

Recently, the Administration returned to Council with an update on the State's eviction moratorium which ended tenants' protections from being evicted for failure to pay rent due to a COVID-19-related hardship between March 1, 2020 through September 30, 2021. As of October 1, 2021, tenants must pay 100% of their rent owed or apply for rental assistance to be protected from evictions. Currently, landlords may issue a three-day notice to pay or quit tenancy if any part of the rent is not paid when due. If the tenant does not pay the amount referenced in the three-day notice, the landlord may file an unlawful detainer (eviction) complaint in court against the tenant. A tenant must then file an answer or other response to the complaint with the court within five business days from being served with such complaint. Tenants that do not file an

¹ Staff report March 23, 2021:

<https://www.sanjoseca.gov/home/showpublisheddocument/70518/637517467331270000>

² Staff report October 5, 2021:

<https://www.sanjoseca.gov/home/showpublisheddocument/77821/637689311589630000>

³ See Manager's Budget Addendum #16:

<https://www.sanjoseca.gov/home/showpublisheddocument/73424/637575449288770000>

⁴ See Staff report on August 31, 2021, item 8.1:

<https://www.sanjoseca.gov/home/showpublisheddocument/76399/637653108137770000>

answer or other response with the court within five business days, may be evicted without having a say in the court case.

In response to the end of the eviction moratorium the Housing Department expanded services available at the Eviction Prevention Help Centers, which now offer onsite legal services and consultations. The Administration will leverage existing agreements with the Law Foundation to ensure services take a holistic approach to offering in-person and virtual legal, case management, and social services to prevent displacement of financially impacted families. Furthermore, the County of Santa Clara will enhance outreach efforts by deploying their CHBET, utilizing local grassroots partners to speak with residents, essential workers, and businesses that employ essential workers about the eviction moratorium, rent relief funding, and applying to the CA COVID-19 Rental Assistance program.

ANALYSIS

According to data collected by Princeton University's Eviction Lab, federal emergency rental assistance has prevented a national surge of evictions but cautions that the threat of mass evictions still looms⁵. Records show that as of October 25, 2021, 30 unlawful detainers have been processed for the month in Santa Clara County. However, the records do not account for the possible backlog of cases that may yet to be reviewed. Pre-pandemic, Project Sentinel Court mediator statistics indicated about 90% of unlawful detainers were for non-payment and over 75% for affected San José properties⁶.

Thus far, it is hard to determine when the eviction cases will spike. An analysis on residential unlawful detainer filings reveal from 2010 to pre-pandemic times about 200-250 unlawful detainers were filed per month, compared to latest data that show an average of 70 filings per month during the pandemic.

It is important to note that most landlords that file an unlawful detainer have representation in court and can maneuver through the court system. On the other hand, tenants are often not represented and are unaware of the unlawful detainer process and the protections in place that can pause the eviction process so long as they apply for rental assistance. Alternatively, tenants often accumulate debt by taking out loans to either keep afloat or move out before going through the full court process. Therefore, the Administration proposes aiding residents further through the Law Foundation's services and by conducting more grassroots and business outreach.

Council approval of this action will help address housing stability by expanding legal services, in partnership with the Law Foundation, offer legal services and education at the City's Eviction

⁵ See U.S. Department of Treasury October 25th, 2021 press release: <https://home.treasury.gov/news/press-releases/jy0429>

⁶ Project Sentinel is a non-profit agency, to assist individuals with housing issues and is a partner agency in the CA COVID-19 Rent Relief program.

Prevention Help Centers. An additional agreement with the County of Santa Clara CHBET will inform residents of the eviction moratorium protections, CA COVID-19 Rental Assistance program and help tenants and landlords with application assistance.

The Law Foundation is a non-profit public benefit corporation that provides free legal advice and representation on housing related matters to low-income families and individuals in Santa Clara County. The Law Foundation reaches its goal through education and outreach, empowering tenants to self-represent through limited legal services, representing tenants in eviction proceedings, representing tenants in lawsuits that affirm rights, policy advocacy, and impact litigation, or lawsuits that lead to systemic change.

The CHBET was formed in the height of the pandemic response. The teams canvass communities hardest-hit by COVID-19, particularly in neighborhoods of East San José, and connect households with the services of community-based organizations. Service connections include vaccines, isolation and quarantine assistance, benefits enrollment and now emergency rental assistance.

Outcomes

The goal of the Law Foundation's services is to provide access to free legal advice and consultations for walk-in tenants at the City's Eviction Prevention Help Centers. The services include assistance in drafting responses to unlawful detainer complaints. Brief legal services, also include, but are not limited to, limited action or negotiations related to client's legal rights and protections including advocacy and counseling related to *pro per* assistance such as completing or responding to a Notice of Termination of Tenancy, *pro per* assistance related to the filing of a response or Answer to an Unlawful Detainer Summons and Complaint, reviewing and documenting requests for Code Enforcement Services, legal referrals to Fair Housing Agencies, client advice/education regarding City ordinances and rent moratoriums enacted as a result of COVID-19, and assistance developing legal defense for small claims court. Through these services if a need for representation in court is identified, the Law Foundation may take on cases by utilizing other City funded sources that provide legal representation.

Once the grant is executed, the Law Foundation's combined grant will be paid up to \$1,400,000. All funds may be spent across the entirety of the grant period retroactive from September 13, 2021 through June 30, 2023.

The following performance metrics will be used, but not limited to the following, to evaluate the success of the Legal Services grant:

- (1) number of joint City Sponsored events attended to conduct outreach and engagement,
- (2) number of clients who received a brief legal service; and
- (3) percentage of tenants that increased understanding of their legal rights and steps to take to address their housing related matter.

The Community Outreach and Engagement Grant will help residents and small businesses access accurate information about the eviction moratorium, rent relief funding as well as related programs and services during the pandemic. The program will enhance the City's outreach efforts by conducting door-to-door grassroots community outreach, engagement education, and application assistance to San José residents who live in neighborhoods with higher rates of COVID-19 infection, who are members of high-risk populations or experience higher rates of rental assistance need. Information will be provided in multiple languages.

Upon execution, the grant will be paid up to \$1,250,000 for a term retroactive from October 1, 2021 through June 30, 2022.

The following performance metrics will be used, but not limited to the following, to evaluate the success of the Community Outreach and Engagement grant:

- (1) number of applicants assisted with an application to the CA COVID-19 Rental Assistance program,
- (2) number of residential engagements (doors knocked or home/dwelling engagement),
- (3) number of community workers deployed,
- (4) number of community engagements (pop up testing site, community event, in front of a market, engagement with other community entities to provide information.),
- (5) number of hours canvassed; and
- (6) top issues and concerns.

The City continues to carry out priorities outlined in the COVID-19 Response Roadmap, especially continuing to deliver essential City services to our community, provide targeted services to vulnerable populations and continue coordination efforts with our partner agencies as we navigate the ever-changing landscape of this pandemic recovery. With the eviction moratorium expiring, the resulting need to implement legal services and education quickly and the limited availability of nonprofits with capacity to do the work, the Department selected Law Foundation to partner at the Eviction Prevention Help Centers. The Housing Department participates in a bi-weekly meeting with local nonprofit legal service providers to coordinate during the eviction moratorium and rental assistance efforts. During those meetings, the Department requested organizations interested in partnering with the City on legal services and education provide the Department with a proposal. The Law Foundation was the only organization to provide a proposal. Finally, the City selected the County's CHBET as an outreach partner because it is the only coordinated effort that exists providing door-to-door canvassing in targeted neighborhoods and zip codes. The CHBET is already partnering with Santa Clara County in providing a similar service for vaccinations.

CONCLUSION

As the City enters the recovery period, post eviction moratorium, it is unclear how many households will face eviction, displacement, or even homelessness. Therefore, the Administration recommends authority to execute agreements with the County of Santa Clara and the Law Foundation to expand outreach and engagement efforts by providing education and access to legal services to low income families and communities at risk of displacement.

EVALUATION AND FOLLOW-UP

Council has requested regular updates on progress of resident access to emergency rental assistance. Staff has access to a State dashboard to track local data, including the number of households served, the amount of funding distributed, the geographic distribution of funds, aggregated demographic information, and the length of time it takes for applications to be processed. The Housing Department will share that information regularly with Council via City Manager's COVID-19 updates at City Council and via regular information memoranda. The Department will include updates on legal services in these updates.

Councilmembers have been provided toolkits in multiple languages to share with constituents via newsletters, social media, and other outreach efforts. As updates become available, they will be shared. Councilmembers are a critical conduit to reaching our most vulnerable residents.

Additional updates on program implementation will be provided to the City Council via quarterly updates at both Neighborhood Services and Education Committee and Community and Economic Development Committee via reports on the Residential Anti-Displacement Work Plan.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the December 7, 2021 Council Meeting.

HONORABLE MAYOR AND CITY COUNCIL

November 16, 2021

Subject: Authorization to Negotiate and Execute Grant Agreements with County of Santa Clara and Law Foundation of Silicon Valley for Eviction Prevention Legal Services and Outreach

Page 7

COORDINATION

The memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL POLICY ALIGNMENT

The recommendations contained in this memorandum are consistent with the priorities established by the City Council as approved in the 2021-2022 Adopted Operating Budget for the Eviction Prevention Help Center in the amount of \$3,100,000 through the American Rescue Plan Fund and the Emergency Reserve Fund.

COST SUMMARY IMPLICATIONS

1. **AMOUNT OF RECOMMENDATION:**
Legal Services up to \$1,400,000
Community Outreach and Engagement up to \$1,250,000

SOURCE OF FUNDING:

Legal Services - American Rescue Plan Fund
Community Outreach and Engagement - General Fund

2. **FISCAL IMPACT:** There is no ongoing fiscal impact to the General Fund or other City funds as a result of the actions recommended in this memorandum.

BUDGET REFERENCE

The table below identifies the fund and appropriations to fund the contract recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2021-2022 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
402	217N	Resident Relief – Housing Stabilization	\$10,650,000	\$1,400,000	931	06/22/2021 Ord. 30621
001	218G	Google Community Benefits	\$3,000,000	\$1,250,000	N/A	08/31/2021 Ord. 30653

CEQA

Not a Project, File No. PP17-003, Agreement/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/

JACKY MORALES-FERRAND
Director, Housing Department

The principal author of this memo is Miranda Burciaga, Analyst. For questions, please contact Ragan Henninger, Deputy Director, at ragan.henninger@sanjoseca.gov.