



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: June 17, 2021

Approved

D. DSYL

Date

06/18/21

**SUBJECT: ENACT AN URGENCY AND COMPANION ORDINANCE
IMPLEMENTING AN EVICTION MORATORIUM THROUGH AUGUST
31, 2021 FOR TENANTS FINANCIALLY IMPACTED BY COVID-19**

RECOMMENDATION

- (a) Accept the staff report providing findings that support enacting a temporary moratorium through August 31, 2021 on evictions to protect tenants currently financially impacted by COVID-19 while the State and local rental assistance programs commence distribution of rental payments to the most vulnerable residents.
- (b) Adopt an Urgency Ordinance enacting a temporary moratorium on no-cause evictions, and evictions due to nonpayment of rent for residential tenants, mobilehome owners and residents, who, before the notice to pay rent or quit expire:
 - (1) pay at least 50% of the July and August monthly rent; and
 - (2) provide to the property owner or manager a signed Declaration stating they are:
 - (i) currently experiencing COVID-19-related financial distress; and
 - (ii) have applied or will apply within 14 days for rental assistance.
 - (3) Invoke the urgency provisions in the City Charter, as an emergency measure for the immediate preservation of the public peace, health and/or safety, to include additional provisions protecting against eviction of a tenant for nonpayment of rent, if that tenant meets the criteria listed in the ordinance regarding COVID-19. PLEASE NOTE: APPROVAL OF THIS URGENCY ORDINANCE REQUIRES 8 OR MORE AFFIRMATIVE VOTES. City Charter Section 605(d).
- (c) Approve a Companion Ordinance through August 31, 2021 enacting a temporary moratorium on no-cause evictions, and evictions due to nonpayment of rent for residential tenants, mobilehome owners and residents, who, before the notice to pay rent or quit expire:
 - (1) pay at least 50% of July and August monthly rent; and
 - (2) provide to the property owner or manager signed Declaration stating they are:
 - (i) currently experiencing COVID-19-related financial distress; and
 - (ii) have applied or will apply within 14 days for rental assistance.

EXECUTIVE SUMMARY

Since March 2020, the local and statewide eviction moratoria have served as critical tools to keep San José renters safe and housed as part of the COVID-19 response. Health orders are allowing businesses to reopen, however, due to continued concern regarding the pandemic, demand for businesses remains soft. At the same time, federal rental assistance is now available for tenants, property owners, and managers through the State of California and the local program, providing a resource to pay rental arrears before property owners pursue an eviction. Unfortunately, disbursement of the available rental assistance has taken much longer than anticipated. The State is currently processing applications from more than 2,800 Santa Clara County applicants who applied for aid, and rent relief is just beginning to be disbursed. Additionally, the local program launched May 19, with a focus on extremely low-income households to ensure adequate community resources reach vulnerable households. Despite these measures, uncertainty and housing instability remain chief concerns for residents who have struggled throughout the pandemic.

Therefore, the recommendation is to enact a short-term, 60-day moratorium on residential evictions until August 31, 2021 for those tenants who continue to struggle to pay rent due to COVID-19 related financial hardship so that the rental assistance can be disbursed to pay the outstanding rent debt. As part of the recommended measure, tenants will need to pay at least 50% of July and August rent when rent is due under their rental agreement. In addition, tenants must submit a hardship declaration explaining the source of the hardship. Property owners and managers will also be required to provide rental assistance information to their tenants when providing a notice of termination.

A summary of the recommendation of the Briefing Sheet is included as **Attachment A**. The Declaration form is included as **Attachment B**, which requires the tenant to sign under penalty of perjury that they are currently experiencing COVID-19 financial-related losses and have applied or will apply within 14 days for rental assistance payment. The Declaration must be submitted to the property owner or manager prior to a notice of nonpayment of rent expiring. As a result of this narrowly tailored ordinance, property owners may evict tenants for nonpayment of rent if the tenant does not submit provide to their landlord a signed Declaration of Covid-19-related distress prior to the notice to pay rent expiring and pay at least 50% of July and August rents. The moratorium seeks to incentivize connecting eligible property owners and managers and tenants to local or State rental assistance programs.

Without additional City or State action to enact or extend the current eviction protections in place, on July 1, 2021, tenants will be required to pay the full amount of monthly rent due, instead of a reduced amount. Under current state law, on August 1, 2021, property owners may begin filing Small Claims Court actions against tenants for unpaid rent accrued between March 2020 and June 30, 2021.

OUTCOME

Temporarily enacting an Eviction Moratorium for 60 days until August 31, 2021, is a housing stabilizing measure that allows the City to continue implementing the local Emergency Rental Assistance Program and begin a local Eviction Help Center as necessary precautions aimed at providing eviction protections for tenants still financially impacted by COVID-19, and also prevents at-risk individuals from falling into homelessness. The Eviction Help Center will also provide information to landlords on the Moratorium and the rental assistance program. Despite statewide progress to curb the financial ramifications of the pandemic on vulnerable communities, the effects of the pandemic linger as those financially impacted attempt to overcome the debt burden they incurred. Further, even as the economy begins to open more fully, not all job sectors decimated by the pandemic have fully recovered, resulting in continued unemployment and underemployment in some sectors. In addition, while billions in funds have been dedicated to relieving rent burdened residents, distribution has faced several challenges. Thus, enacting a targeted and temporary Eviction Moratorium for 60 days will continue to provide a critical stabilizing solution for those still financially impacted from COVID-19 while the economy transitions back to fully reopening and returning to some semblance of normalcy. By protecting renters financially impacted by COVID-19 during this transition to a fully open economy, the City is ensuring that at-risk residents are given an opportunity to regain a level of economic stability and the ability to pay rent or apply for rental assistance before facing eviction for nonpayment of rents.

BACKGROUND

The nation, State, and our local community are taking the first steps towards economic recovery following a year and a half of widespread illness and death from COVID-19, as well as the resulting recession and job loss. The public health measures that helped control the spread of disease resulted in significant economic hardship for many business owners and their employees, leading to business closures and loss of jobs and work hours. Additionally, the transition to remote learning led to many workers being unable to return to the workplace due to childcare needs. To address the mounting financial impacts and the risk that residents would not be able to cover their rent, federal, state and local governments enacted targeted eviction moratoria and dedicated billions of dollars in funding to rental assistance, aimed at mitigating the harmful effects of COVID-19 on housing stability.

Locally, there are initial signs of recovery. On May 19, 2021, Santa Clara County entered the Yellow Tier given reduced cases of COVID-19 with increasing and widespread vaccinations.¹ This has resulted in businesses reopening and/or expanding operations, with some jobs returning and some new jobs opening, but true full recovery will take time. In the meantime, frontline workers, who have been most impacted by the pandemic and recession, have accrued thousands of dollars in rental debt. Many of these workers have not been eligible for stimulus checks or unemployment benefits, exacerbating their financial troubles.

¹ https://covid19.sccgov.org/public-health-orders?mc_cid=da0f04d340&mc_eid=6c159babe7&mc_cid=da0f04d340&mc_eid=6c159babe7

To understand assistance available to eligible City residents and the pending “eviction cliff,” following are:

- A summary of City eviction moratorium actions; and
- Information about federal Emergency Rental Assistance allocations available for San José residents.

A. Summary of City Eviction Moratorium Actions

The summary of Eviction Moratorium City actions includes:

- **March 16, 2020:** In response to public health orders, the City enacted the 2020 Eviction Moratorium, protecting residents against an eviction due to non-payment of rent as a result of COVID-19.
- **April 28, 2020:** The City enacted a 2020 Moratorium on Rent Increases to mitigate the growing debt obligation for residents.
- **January 26, 2021:** The City passed the 2021 Eviction Moratorium as a stopgap measure in the event that the State did not extend its eviction protection measures following a sharp increase in COVID-19 cases and deaths during the winter.
- **January 28, 2021:** The State passed Senate Bill 91, extending eviction prohibitions through June 30, 2021 and effectively terminated the City’s eviction moratorium.
- **February 5, 2021:** The City passed the 2021 Moratorium on Rent Increases through June 30, 2021, limiting the protection from incurring a rent increase to those renters who submitted a declaration of financial hardship related to the COVID-19 pandemic.

B. Federal Emergency Rental Assistance from Treasury

The U.S. Department of Treasury administers the new Emergency Rental Assistance (ERA) program making funding available to assist households that are unable to pay rent or utilities. Two separate programs have been established: ERA1 provides up to \$25 billion under the Consolidated Appropriations Act, 2021, which was enacted on December 27, 2020, and ERA2 provides up to \$21.55 billion under the American Rescue Plan Act of 2021, which was enacted on March 11, 2021. Of these funds, \$4.68 billion is allocated for rental relief in California, including funds allocated directly to the City of San José and County of Santa Clara.

Both property owners and tenants may apply for ERA assistance, but the tenant household must meet the following qualifications for ERA 1 and ERA 2 (**Table 1**). To be eligible, a household must be obligated to pay rent on a residential dwelling (including space rent for an owned mobilehome). ERA 1 funds may be used through September 30, 2022, while ERA 2 funds may be used through September 30, 2025.

Table 1: Summary of Qualifications for ERA 1 and ERA 2

| ERA 1 | ERA 2 |
|--|--|
| <ul style="list-style-type: none"> a) one or more individuals within the household has qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardships due, directly or indirectly, to the COVID-19 outbreak; b) one or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability; and c) the household has a household income at or below 80% of area median income. | <ul style="list-style-type: none"> a) one or more individuals within the household has qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due, directly or indirectly, to the coronavirus pandemic; b) one or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability; and c) the household is a low-income family (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).2 d) These funds can be used for rental arrears, forward rent, utility arrears, and mobilehome space rent. The assistance can be used towards 12 months of past due rent, with the option to extend in three-month increments. Forward rent may be provided in three month increments. |

C. State Emergency Rental Assistance and SB 91 (State Program)

On January 28, 2021 the State passed Senate Bill 91, a sweeping legislative action that extended the eviction moratorium for non-payment of rent due to COVID-19 financial hardship through June 30, 2021 and established the parameters under which the State would distribute the \$1.5 billion in ERA 1 funds it received directly. This included creating a rental assistance portal with a deadline of March 15, 2021 to become operational.

The State Emergency Rental Assistance and SB 91 program design has set aside \$62.4 million for residents of San José and Santa Clara County through ERA 1 (**Table 2**). The State has not yet determined ERA 2 allocations.

Under SB 91, property owners and managers may get reimbursed for 80% of a tenant's past due rent accrued between April 1, 2020 and March 31, 2021, if they agree to waive the remaining

20% of unpaid rent. Eligible residents whose property owners or managers choose not to participate in the State rental assistance program may still apply on their own and receive 25% of unpaid rent accrued between April 1, 2020, and March 31, 2021 through a direct payment to the property owner or manager. If a property owner or manager refuses direct payment, the 25% can be paid to the renter to pay missed rent to the property owner or manager by June 30, 2021. Paying 25% of past due rent by June 30, 2021 helps keep residents in their homes under the extended eviction protections provided in SB91.

Table 2: Federal Emergency Rental Assistance Funds - ERA Rounds 1 and 2

| Source of Payment | ERA 1 | ERA 2 | ERA 2 High-Needs | Total |
|---|--------------|--------------|---------------------|--------------|
| Funds Directly Allocated to Local Jurisdictions | | | | |
| City of San José | \$30,379,739 | \$24,038,066 | \$12,239,822 | \$66,657,627 |
| Santa Clara County | \$26,938,648 | \$21,315,291 | \$8,746,710 | \$57,000,649 |
| Funds Allocated to the State of California and Held for Funding from SB 91 | | | | |
| City of San José & Santa Clara County | \$62,460,966 | TBD* | TBD* | TBD* |

* The State has not yet determined ERA 2 allocations.

On May 10, 2021, Governor Newsom announced the California Comeback Plan, a recovery plan that includes additional stimulus payments to families making up to \$75,000 as well as an expansion of rental assistance wherein eligible residents can receive help paying future rent, equal to 25% of their monthly amount to help them stay in their homes, and 100% of up to 12 months of unpaid or future utility bills.² This plan deviates slightly from SB 91, where property owner or manager may receive 80% of the back due rent owed by a tenant if they agree to waive 20% of the back rent owed. Instead, the plan intends to repay 100% of back rent owed for qualifying low-income residents. The Comeback Plan is part of the Governor's proposed budget revision. The state legislature will vote on the budget and if passed, is expected to be enacted by the summer. This additional funding has the potential to infuse the State's most vulnerable communities with needed resources, paving the way for a more balanced recovery that supports and promotes long-term housing stability.

D. County of Santa Clara and City of San José Program (Local Program)

Locally, the City and County are distributing our direct allocations of ERA funds through the program, known as the Homelessness Prevention System COVID-19 Response, in partnership with Destination: Home, and Sacred Heart Community Service. To ensure the program reaches the most vulnerable residents, the effort includes a network of 47 community and grassroots partners. The local program had a soft-launch on May 1, 2021 and launched publicly on May 19, 2021.³

The program design was informed by community input and the experience of providing rental assistance and financial relief in 2020. By partnering with trusted community partners for

² <https://www.gov.ca.gov/2021/05/14/california-returns-back-governor-newsom-presents-100-billion-california-comeback-plan/>

³ <https://www.sccgov.org/sites/osh/NeedAssistance/Rent/Pages/home.aspx>

outreach, intake, and case management, the local program aims to reach the most vulnerable and hardest to reach communities in Santa Clara County. This rent relief effort is focused on assisting low-income residents who have been financially impacted by the pandemic, are at-risk of losing housing, and earn less than 30% of the Santa Clara County median income. The program agencies will continue reach out to zip codes with the highest rates of COVID-19 cases and job loss, implementing an easy-to-understand online application form, and simplifying payment distribution systems.

ANALYSIS

Federal, state, and local governments are working to prevent displacement of vulnerable households by distributing large amounts of rental assistance. However, getting massive rental relief programs up and running quickly and simultaneously reaching those who need help the most has been a nationwide challenge. Enacting a temporary Eviction Moratorium is critical to protecting those who need it most, without increasing their financial obligations. A summary of the recommendation is included in the Briefing Sheet as **Attachment A**. Tenants who are still continuing to face COVID-19 financial losses must submit to their property owner or manager a signed Declaration form (**Attachment B**) within three days of rent being due. The Declaration submitted must be signed under penalty of perjury that the tenant understands they must pay at least 50% of July and August rent and that they have applied for rental assistance or will apply within 14 days. Property owners and managers are also required to provide their tenants with rental assistance information when giving a notice of nonpayment of rent.

There are three reasons staff is recommending an enactment of an Eviction Moratorium until August 31, 2021:

- The economy is slowly recovering;
- Disbursement of the available rental assistance has taken much longer than anticipated; and
- Sample of 1,700 apartment Nonpayment of Rent Notices submitted to City of San José from January 2021 to March 2021 showed 68% of tenants noticed owe two months of rent arrears.

Additional research on understanding eviction trends are included as **Attachment C**.

A. Economy is slowly recovering

Businesses and industries severely impacted by the pandemic have largely reopened as the public health restrictions that severely impacted their ability to operate have lifted or eased. Most business, including restaurants, retail, and service industries have been able to return to normal operating hours, however, demand for in-person shopping, dining or personal services is still impacted by other parts of the economy not fully returning to the workplace. Many businesses, especially those close to major employment centers, are still experiencing revenue shortfalls as their customer base has yet to return, and as a result may not have returned to pre-pandemic employment levels.

Challenges related to childcare over the summer months remains a barrier to some residents returning to work and will continue to impact employment levels until August/September. As schools begin to close, parents are challenged with finding appropriate childcare due to either diminished capacity in the availability summer activities and camps. After 15 months of diminished childcare capacity, it is likely that some families will have limited re-employment until full time, in-person education returns.

Based on April 2021 data released by the Employment Development Department, the job losses and gains summarized in **Table 3** reveal the highest number of reported job losses impact workers from the following sectors in San José MSA: 1) leisure and hospitality, 2) education and health services, and 3) retail trade. Leisure and hospitality is only 27.9% recovered, education and health services are only 46.3% recovered, and retail trade is only 58.5% recovered from February 2020 to April 2021.

Table 3: Job Trends by Sector by Order of Job Loss and Gains (By San José MSA)

| Job Trends by Sector San José MSA | Feb 2020 | April 2021 | Feb 2020 to April 2021 Job Loss | % Recovered | % Not Recovered |
|--|-----------------|-------------------|--|--------------------|------------------------|
| Leisure and Hospitality | 105,300 | 67,500 | -37,800 | 27.9% | 72.1% |
| Education and Health Services | 185,100 | 173,400 | -11,700 | 46.3% | 53.7% |
| Retail Trade | 80,600 | 73,000 | -7,600 | 58.5% | 41.5% |

B. Disbursement of the available rental assistance has taken longer than anticipated

According to the National Equity Atlas, there are approximately 27,447 households in Santa Clara County with an estimated \$192 million in rental arrearages with an average of \$6,993 owed per household.⁴ The National Equity Atlas provides data on who is behind on rent and the estimated rent owed on the May 12-24, 2021 Census Household Pulse Survey.

Enacting a moratorium on no cause and nonpayment of rent evictions through July and August 2021 would allow time for property owners and tenants to receive much needed rental arrear payments after applying to either the State or local program, depending on eligibility. Launching a multi-billion dollar relief program is an enormous undertaking. States and localities around the nation have experienced numerous challenges in launching, implementing, and disbursing the federal Emergency Rental Assistance funds quickly. These challenges highlight why it is so critical that the eviction moratorium be enacted.

The State program portal opened on March 15, 2021, while the local program Homelessness Prevention System COVID-19 publicly launched on May 19, 2021. There are growing concerns

⁴ <https://nationalequityatlas.org/node/63161>

for the pace at which applications are being completed and relief is reaching tenants, property owners and managers. **Table 4** summarizes the progress of the State and Local programs.

- As of May 3, 2021, the State received 108,000 applications and disbursed only \$4 million of the \$380 million requested. SB 91 requires the State to distinguish the first distribution of funding to those California residents qualifying as “low-income.” Therefore, funding approval is not on a first-come, first-serve basis. According to the State’s confirmation email of submission of application:

The CA COVID-19 Rent Relief Program is not a first come, first serve program. Applications will be reviewed, and assistance payments will be processed based on tenant vulnerability (highest to lowest) based on factors such as household income against local AMI, qualification for unemployment benefits, COVID-19 related financial distress, and/or demonstrated risk of housing instability. There are three application windows where the State and its partner will focus the program outreach effort to increase participation. First flow of applications will focus on households earning less than 50% AMI. Flow will expand to cover those households disproportionately impacted by COVID-19 and then to all households earning less than 80% AMI.

As a result, property owners and tenants who apply have experienced uncertainty on whether or not funding would be approved and as a result are unable to anticipate funding for past and future rent relief. There are concerns that State funding for rental relief have been allocated but not disbursed to applicants, but the statewide Eviction Moratorium established through SB 91 is set to expire on June 30, 2021.

- On May 20, 2021, the State began reviewing and funding applications in San José and Santa Clara County. As of June 16, 2021, County-wide more than 3,680, applications requesting approximately \$47 million in rental assistance and \$2.6 million in utility assistance has been received by the State. The number of San José residents who have applied is 2,361, for a total of \$29 million in rental assistance and \$1.6 million in utility assistance. Going forward, extremely low-income applicants are being handled by the local program, while those earning 30% to 80% of Area Median Income will be served by the State program. News stories report that the State has been slow to release the funding.
- As of June 14, 2021, the local program Homelessness Prevention System COVID-19 estimates that based on the projected average household first wave payment assistance of \$8,184 per household, the 1,467 applicants received so far represent \$8,478,730 projected in financial assistance. Because of the time required to negotiate an agreement with the State, the changing program requirements, and the complexity of the program there has been a significant delay in issuing checks.

Table 4: State and Local Applications Received as of May 2021

| Source of Payment | Applications Submitted | Requested |
|--|---|---------------------------------|
| California COVID-19 Rent Relief <i>As of May 3, 2021</i> | 108,000 • 56,000 active cases | \$380 M |
| California COVID-19 Rent Relief – Review of Funding Applications in San José & Santa Clara County <i>As of June 16, 2021</i> | 3,680 | \$47 M |
| Local Homelessness Prevention System COVID-19 <i>As of June 14, 2021</i> | 1,467 • 249 completed review • 1,218 pending or in process | \$8,478,730 <i>Projected</i> |

Through the interviews with stakeholders, staff received feedback that the State rental assistance website and applications for tenants and property owners are complicated. Local non-profit agencies helping tenants apply also shared that it takes on average about two hours to complete the application, and tenants who have tried to apply become discouraged and may give up or instead move out. Property owners who submitted applications through the State have only received a confirmation e-mail of pending review without additional follow up of assignment of case manager or details on when the final determination on eligibility will be received and if approved for funding, when a check would be received. The system requires an email address to submit an application. Some tenants need help creating an email address and others feel intimidated by the amount of paperwork required. As of June 10, 2021, the state announced significant changes to California's COVID-19 Rent Relief program designed to improve and streamline the application process for Californians seeking rent relief through the state, and to encourage more people to complete applications for rent relief. This included additional translation of information and the application on the HousingIsKey.com website to include Chinese, Korean, Tagalog, and Vietnamese, as well as English and Spanish.

C. Sample of 1,700 apartment Nonpayment of Rent Notices submitted to City of San José from January 2021 to March 2021 showed 68% owe two months of rent arrears

Staff also analyze the notices of terminations and unlawful detainers submitted to the City from January to March 2021 to determine average rent arrears. During this time period, the Rent Stabilization Program received 2,563 notices of terminations and 20 Unlawful Detainers as required by the Tenant Protection Ordinance. Of the notices received, 2,526 (98%) were for nonpayment of rent. Staff analyzed a sample of 1,787 nonpayment of rent notices and found that the average rent debt owed was approximately \$4,000, with 56% of tenant households owing only one month of rent and 12.5% with two months of rental arrears between January to March 2021 (**Table 5**):

Table 5: Analysis of rental arrears from sample of nonpayment of rent notices submitted to the City from January to March 2021

| # of Months of Rental Arrears | % of Tenant Households |
|---------------------------------|------------------------|
| 1 | 56.0% |
| 2 | 12.5% |
| 3 | 8.8% |
| 4 | 7.2% |
| 5 | 7.4% |
| 6 | 4.8% |
| 7 | 2.7% |
| 8+ | 0.12% |
| Monthly Rent Debt not indicated | 0.6% |

Staff also analyzed the 20 Unlawful Detainers received. Of these, 17 were for nonpayment of rent. The average amount owed was \$6,978.93 for an average of two months, where months of rent owed ranged from one month to 11 months.

Essential Support Programs and Services

During the 60-day effective period of the Ordinance, the Housing Department will implement or continue to support the following programs with the goal of assisting tenants, property owners, mobilehome residents, and mobilehome park owners on the road to recovery in a post-pandemic environment:

- ***County of Santa Clara and City of San José Emergency Rental Assistance (Local Program)*** – The City and County’s Homelessness Prevention System COVID-19 Response will continue to leverage its partnerships with local organizations, continue outreach, application assistance and funds distribution.
- ***Partnership with Santa Clara County’s Mediation Program*** – In partnership with the Santa Clara County Office of Mediation and Ombuds Services, the Rent Stabilization Program has promoted a free mediation program for tenants, property owners, and managers to resolve housing disputes. Program staff process mediation inquiries and make referrals to the County Mediation program as needed. Between July 2020 and May 21, 2021, Program staff referred 29 cases to the County Office of Mediation and Ombuds Services. Of these cases, the outcomes included: 14 agreements, 3 no agreements, 9 coaching sessions for the referred party, and 3 cases are currently open.
- ***City of San José Eviction Help Center*** – The Housing Department is leading a community-wide initiative to open an Eviction Help Center. The purpose of the Eviction Help Center is to create a centralized, ‘one-stop’ hub staffed by City employees, representatives from non-profit organizations and community volunteers. Staff will be specifically trained for and dedicated to providing a high-level of service to residents facing economic challenges resulting from the COVID-19 pandemic. Planned services include: application assistance for local and State rent relief and utility assistance

programs, legal assistance to households facing eviction, and mediation services. Services will be broadly accessible in-person and online and include planned “pop-up” services in targeted neighborhoods and virtual clinics and workshops,

CONCLUSION

The COVID-19 pandemic is responsible for increased housing instability across the nation and here in our city. Without creative solutions to address the reality that many of the City’s residents are still struggling with the economic ramifications wrought by the pandemic, the City may see an increase in mobility away from the City, or even the County. Enacting a temporary Eviction Moratorium for 60 days will provide a necessary and urgent grace period for adequate and equitable distribution of resources, including rental assistance, to those residents still reeling from the pandemic while allowing time for businesses to open up fully. The City is on the road towards recovery. Without additional City or State action to protect residents through an eviction moratorium, on July 1, 2021, financially insecure tenants will be required to pay the full amount of monthly rent due, instead of a reduced amount. With this measure in place, the City is reaffirming that every resident is included in the recovery plan.

POLICY ALTERNATIVES

ALTERNATIVE 1: Tenant must pay 25% of current monthly rent for the duration of the Eviction moratorium as well as notify property owner of financial distress and proof of applying to rental assistance, consistent with SB 91.

Pros: This approach is consistent with Senate Bill 91 requirements, which requires tenant to pay 25% of their monthly rent payment. Since state law AB 3088 was enacted in August of 2020 and through the June 30 end date found in SB 91, California residents may be more familiar with a requirement of 25% of rent.

Cons: Paying only 25% of rent will not reduce the tenant’s financial obligations and put tenants further in debt and landlords with higher debt balances. It will inhibit a transition back to full payment requirements since tenants will have to immediately begin paying their full amount of rent at the end of the eviction moratorium. 50% payment is a step up towards transitioning to full rent payment when the moratorium ends.

Reason for not Recommending: The COVID-19 pandemic in San José and the United States is turning a corner. As vaccines roll out to more Californians and as testing on younger residents continues, the City is making progress towards recovery. This 25% of rent approach has the potential to delay recovery because on the date when eviction protections end, residents will abruptly be required to pay 100% of their rent. A transition period is

needed to assure recovery, and by easing away from 25% rent payment to 50%, residents and property owners will walk the road to recovery together.

ALTERNATIVE 2: Include in the Ordinance a four month repayment period for Tenants who submit a Declaration of Financial Distress (**Attachment B**). Tenants who submit a Declaration will have an additional four months until December 31, 2021 to pay their rent balance for July and August 2021 rent.

Pros: Having a repayment period for tenants who are financially impacted by COVID-19 will allow tenants more time to repay past due rent accumulated in July and August 2021. A repayment period will allow time for the State and Local programs to provide tenants with the requested funds.

Cons: Landlords may need to wait until the end of the year to recover the full rent charged in July and August 2021.

Reason for not Recommending: Staff did not have the opportunity to engage with stakeholder groups for feedback on including a repayment period in the Eviction Moratorium.

EVALUATION AND FOLLOW-UP

The proposed recommendation and adoption of an urgency ordinance and companion ordinance is intended to extend protections against eviction for tenants, but only in the absence of continued State protection. The Housing Department will continue to track statewide legislation for possible extensions of the eviction moratorium and review the need to continue the local emergency. Staff will provide a status update on the top four recommendations of the Citywide Residential Anti-Displacement Strategy, including an update on Citywide Roadmap COVID-19 Recovery efforts related to emergency rental assistance and Eviction Help Center(s).

CLIMATE SMART SAN JOSÉ

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

PUBLIC OUTREACH

Extensive public outreach was conducted by Program staff. **Table 6** provides a summary of the dates and times of the outreach meetings with stakeholders.

Table 6 – Stakeholder Outreach: Summary

| DATE | STAKEHOLDER GROUPS | | | | |
|--------------|----------------------------------|---------|-----------------------------------|----------------------|----------------|
| | Rent Stabilized Apartment Owners | Tenants | Mobilehome Park Owners & Managers | Mobilehome Residents | Legal Services |
| May 11, 2021 | | | • | • | |
| May 12, 2021 | • | • | • | • | |
| May 13, 2021 | | • | • | • | |
| May 14, 2021 | • | | | | • |
| May 17, 2021 | | | | • | |
| May 18, 2021 | • | | | | |
| May 20, 2021 | | • | • | • | |
| May 21, 2021 | | | • | • | |
| May 24, 2021 | • | • | • | • | • |
| May 25, 2021 | • | | | | |
| May 26, 2021 | • | | | | |
| May 28, 2021 | | • | • | • | |
| June 1, 2021 | • | • | • | • | • |

Throughout the pandemic, the Program has continually met and solicited feedback from stakeholders to maintain a broad perspective on evolving dynamics in the rental community. Through multiple outreach meetings, the Rent Stabilization Program and stakeholders have been able to work collaboratively to create policy that centers protection on those residents in the City who continue to experience hardships due to the COVID-19 pandemic. For the most recent round of stakeholder outreach meetings, Rent Stabilization Program staff met with property owners and property managers, tenants, mobilehome park owners, mobilehome residents, and legal services representatives. Below are some key takeaways from each stakeholder group.

A. Apartment property owners and property managers facing financial hardships with increasing arrears from tenants and waiting for rental assistance disbursements.

Property owners and property manager stakeholders have and continue to face financial hardships since March 2020 and have been impacted by the local and State Eviction Moratoria as their tenants have been unable to pay rent due to COVID-19. There were three main takeaways from the conversations with the landlord and property manager stakeholders:

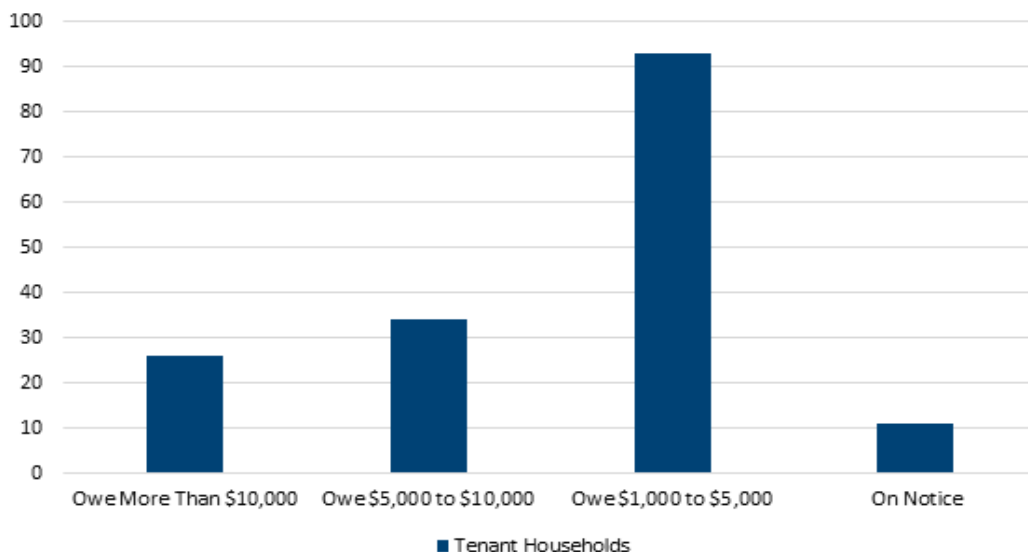
- ***Property owners and property managers keep people housed and are working with impacted tenants to do so.*** Over the course of the outreach meetings, this group of property owners and managers shared they are in the business of providing housing and it is not their intent to evict tenants as a first course of action upon the expiration of the State Eviction Moratorium. Many in this group shared that they have not been increasing rents and are instead offering to negotiate rents and provide rent decreases. Further, some stakeholders have waived credit card fees and late fees while performing necessary apartment maintenance. Property owners and property managers shared they have

forgiven up to \$5,000 of past due rent for some tenants so long as they are current on future rents.

- ***Property owners and property managers have had challenges understanding and responding to the Moratorium.*** Managers and owners lack an understanding of the Eviction Moratorium and have not proceeded with evictions when tenants have claimed COVID-19 impacts without providing documentation and proper declarations. In addition, stakeholders of multiple complexes shared they increased staffing or have dedicated staff members to manage the evolving list of tenants who submit declarations of COVID hardship, applications for state rental applications and tracking rent increases.
- ***Property owners and property managers experience challenges applying for State Rental assistance.*** Some owners and managers have shared they have exhausted their options of trying to work with tenants to apply for state rental assistance, including applying on behalf of tenants, door-to-door knocking to provide print out information, and sending rental relief programs directly to the tenants. However, property owners and managers are finding that many tenants are giving up and moving out during the application process. As a result, owners and managers must now plan to pursue the accrued rent debt through Small Claims Court. While some of had challenges with the rental assistance programs, some owners and managers have been successful in receiving direct relief and checks from organizations such as Sacred Heart.

In another example, a property owner of larger apartment complexes shared data on past due rent. **Figure 1** provides a summary of the amount of rent owed in the total portfolio of 1,900 apartments. Of the tenants in these apartments, 105, or 5.4% of tenant households elected to move, resulting in \$245,000 in outstanding rent debt that may be difficult to recover. This property owner has had challenge receiving state rental assistance.

Figure 1: Summary of Amount of Money Owed for Tenant Households



B. Tenants are still struggling to catch up on rents and having challenges applying for rental assistance programs

Tenants at stakeholder meetings shared that there are still challenges in catching up on past due rent, and their current employment does not cover their rent as well as other increasing costs of household needs and gas for transportation.

- ***Tenants have been trying to apply for rental assistance programs.*** Tenants shared that they are still in need of eviction protections and have been trying to apply for State Rental Assistance but have not received funding to provide to the property owners and managers. Stakeholders shared they have experienced challenges applying but did not receive the assistance needed to complete the application. Some tenants are still on the wait list for rental assistance and they have not been able to apply for other programs.
- ***Tenants are still having financial challenges making rent payments.*** The Employment Development Department payments have concluded for many impacted residents whose claims may have expired or are waiting for their claims to be processed, and the stimulus checks are insufficient for current rent payments or past due rents. Stakeholders also shared that tenants have had to ask for loans from family and friends.
- ***Tenants shared concerns about displacement without an Eviction Moratorium protection.*** Tenants shared that they would have to relocate outside of the City if eviction protections are not put in place.

C. Mobilehome park owners emphasize different relationships from apartment property owners and expressed concerns about continuing extensions of Eviction Moratorium

Mobilehome park owners have concerns about enactment of an Eviction Moratorium for the mobilehome residents and parks.

- ***Mobilehome residents and park owners have different relationships compared to apartment tenants, apartment property owners, and managers.*** Park owners reiterated that tenancy patterns for mobilehome residents who own their homes and cannot easily move, are not synonymous with apartment tenancy trends that experience higher turnover rates. Mobilehome park owners shared that there has been a low number of mobilehome residents in arrears. For example, one mobilehome park manager shared that of the seven mobilehome communities managed, of the 1,400 spaces, only one resident is on the park's deferral program for outstanding payments. Stakeholders shared that less than 1% of residents have expressed financial hardships from the pandemic or submitted declarations.
- ***Mobilehome park owners shared that there are unintended impacts for "just cause" evictions.*** Mobilehome park owners shared that there have been challenges noticing residents who have not been complying with the park and/or state rules and regulations in the park community. The eviction process of mobilehomes differs from that of other

residential units, because residents renting space lots within a mobilehome park are also homeowners of their manufactured homes. As a result, it may take up to six months to pursue an eviction.

- ***Mobilehome park owners and residents have been working closely together to resolve outstanding rents.*** Mobilehome park owners shared that issues regarding past due rents with residents have been resolved amicably. For example, at Colonial Manor Park, the park owner shared that while only 30% of the senior residents are working, the residents have not expressed financial impact. Through a survey conducted by a mobilehome park manager in collaboration with the City of San José Housing Department, out of the 59 total number of parks in the City, 28 parks participated in the survey. **Table 7** provides a summary of findings.

Table 7: Summary of Mobilehome Survey Responses Received

| Total Parks Surveyed | Total Spaces | Total Number of Rent Deferrals | Total who Have Obtained State Funds | Total Who Applied but have not received aid yet | Total Evictions |
|----------------------|--------------|--------------------------------|-------------------------------------|---|----------------------------|
| 28 | 6,414 | 28 | 0 | 5 | 1* Not COVID-19 related |

D. Mobilehome residents expressed that eviction protections should be extended and apply to most vulnerable populations who can show proof of financial impact

- ***Mobilehome residents recommended that the Eviction Moratorium should be extended until December 2021.*** Mobilehome residents shared that if the Moratorium is extended, it should only be applied to residents who can show proof of financial hardship related to COVID-19. For example, a resident from Oakcrest Mobilehome Park shared that there are residents who have been financially impacted and benefited from the Eviction Moratorium protections during the past year. One resident from Casa de Lago Mobilehome Park shared that out of 618 spaces, there would be approximately 65 residents who would benefit from a temporary Eviction Moratorium. Resident stakeholders also shared that 14 residents have had to sell their homes as a result of the COVID-19 pandemic. Stakeholders shared that without a temporary Eviction Moratorium, many residents will become displaced, especially because of how much rent has accrued during the pandemic.
- ***Mobilehome residents shared that the eviction moratorium should be applied to the most vulnerable populations like working senior residents, low-income families and those who can show proof of unemployment.*** Residents shared that many in their mobilehome community are still unemployed and have not been successful in recovering from the pandemic. Many residents stopped receiving unemployment payments from the Employment Development Department, resulting in increased difficulty to generate any

sort of income. For example, some residents from Lamplighter Mobilehome Park expressed an urgent need for the Moratorium since so many in the park remain unemployed and underemployed, making it hard for them to pay for essentials and keep up with space rent.

- ***Mobilehome residents also shared that park owners/managers have been working closely with those affected by the COVID-19 pandemic.*** Having the support of the park's property manager and owner has alleviated some of the financial pressures residents have experienced in paying accrued rent debt. The eviction moratorium would help those residents whose property managers have not been as cooperative.

E. Local legal services agencies recommend extension until rental assistance programs can issue funds

Local legal agency stakeholders recommended enacting an Eviction Moratorium until there can be rental assistance funding distributed to impacted tenants and landlords.

- ***Low-income tenants have not had adequate time to stabilize from the pandemic, and delays and backlog in rental assistance pose challenges for stability.*** Despite the lifting of the State COVID-19 restrictions, under the State eviction protections, tenants will still be expected to pay 25% of their rent for the past 10 months by June 30, 2021, then pay their full rent by July 1, 2021. In addition, there has been a backlog in the distribution of Federal and State rental assistance, and many impacted tenants have not been able to secure the funds as the programs process and review the applications.
- ***Tenants not only have housing debt but other debts as a result of COVID-19 pandemic, and economic effects of the pandemic still linger.*** Legal agency stakeholders shared that many low-income workers are faced with other financial challenges, such as getting into other debt in order to make rent payments. Some tenants have accrued vehicle debt, which exposes them to the risk of losing their vehicle, often their only transportation method to get to their jobs. Data from a local legal agency showed that in San José, the agency saw an 1100% increase in clients reporting unemployment benefits as their main source of income. National surveys show increases in credit card⁵ debt and medical⁶ related debts.
- ***Case number trends reflect racial disparities of the COVID-19 pandemic.*** Data from a local legal agency revealed from March 2019 to February 2020, the average number of eviction cases per month dropped 14.2 cases per month. Although some eviction cases have proceeded through the Unlawful Detainer process, the overall number of cases has been significantly reduced due to state and local protections for tenants. The agency also shared that the case numbers reflect the racial disparities seen throughout the COVID-19 pandemic. Of the 210 eviction cases from San José since March 2020, 52.8% of the cases were clustered in six zip codes – 95111, 95112, 95116, 95122, 95125 and 95127. Of the

⁵ <https://www.creditcards.com/credit-card-news/coronavirus-debt-poll/>

⁶ <https://www.lendingtree.com/personal/medical-debt-survey/#MostAmericanshavebeendebtduetomedicalexpenses>

eviction cases from March 2020, 80% of the families and individuals seeking assistance were non-white people of color. Additionally, the cases reflect women of color are most impacted by the pandemic with 53.8% of the cases being initiated by women and 10% involving single mothers with children. From their county-wide data, the legal agency saw a 55% increase in clients calling who were monolingual Spanish speakers.

As a result of the outreach campaign, staff better understand the hardships and challenges faced by both tenants and property owners in applying for rental assistance. The staff recommendation incentivizes connecting eligible property owners and managers and tenants to local or State rental assistance programs to pay the remaining rent arrears. Therefore, the recommendation is to enact a short-term, 60-day moratorium on residential evictions until August 31, 2021 for those tenants who continue to struggle to pay rent due to COVID-19 related financial hardship so that the rental assistance can be disbursed to pay their outstanding rent debt. Additional time and funding resources are needed to prevent the potential displacement of financially impacted COVID-19 families in San José.

COORDINATION

Preparation of this report was coordinated with the City Attorney's Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

The Housing Department's recommendation was not presented to the Housing and Community Development Commission regular meeting on June 10, 2021 due to a Brown Act violation based upon a communication that happened prior to the Housing and Community Development Commission scheduled meeting.

FISCAL/POLICY ALIGNMENT

This action is consistent with the City's *Consolidated Plan 2015-2020*, adopted by City Council on May 5, 2015, to provide homes for very low- and extremely low-income households, and with Goal H-2 of the City's *Housing Element 2014-2023*, adopted by City Council on January 27, 2015, to "increase, preserve, and improve San José's affordable housing stock."

COST SUMMARY/IMPLICATIONS

There are no cost implications.

HONORABL MAYOR AND CITY COUNCIL

June 17, 2021

Subject: Enact COVID-19 Residential Eviction Moratorium until August 31, 2021

Page 20

CEQA

Not a Project, File No. PP17-008, General Procedure & Policy Making resulting in no changes to the physical environment.

/s/

JACKY MORALES-FERRAND

Director, Housing Department

For questions, please contact Deputy Director, Rachel VanderVeen at (408) 535-8231.

ATTACHMENTS:

Attachment A – Briefing Sheet of the Recommendation

Attachment B – City of San José COVID-19 Impact Declaration

Attachment C – Additional Research to understand Eviction Trends



2021 Moratorium on Rent Increases & Eviction Moratorium

Housing Department Briefing Sheet

Moratorium on Rent Increases

Recommendation: Sunset on June 30, 2021 (no extension)

Reasons for Recommendation:

- Overall rent stabilized rental rates decreasing and vacancy rates increasing.
- Sample of rent stabilized apartment rents show trends of maintaining current rents even upon renewal of leases and even negotiating to reducing rents.
- Mobilehome community's reliance on a fixed and predictable anniversary date.

Eviction Moratorium

Recommendation: Enact from July 1, 2021 to August 31, 2021

Background:

Beginning July 1, 2021, tenants will be required to pay the full amount of monthly rent due without additional City or State eviction protections in place. Note, tenants cannot be evicted if they paid 25% of their rent due between September 2020-June 2021. However, on August 1, 2021, property owners and managers may begin filing Small Claims Court actions against tenants for unpaid rent accrued between March 2020 and June 30, 2021.

Extend Moratorium effective from July 1, 2021 to August 31, 2021

Protects Tenants, mobilehome Owners, and mobilehome Residents who:

- A) Pay at least 50% of the July and August monthly rent when due (no later than notice pay rent expires)
- B) Notify the property owner or manager that they are:
 - I. currently experiencing COVID-19 financial-related distress, and
 - II. have applied, or will apply within 14 days, for rental assistance payments.

Reasons for Recommendation:

- Businesses are still impacted by COVID-19 as capacity is increased.
- Challenges due to lack of availability of childcare remains a barrier to returning to work.
- Disbursement of the available rental assistance has taken much longer than anticipated.
- Incentivize connecting eligible property owners and managers and tenants to local or State rental assistance programs.
- During 60-day effective period of the Ordinance, the Housing Department will implement the following programs to support and assist residents and property owners:
 - County of Santa Clara & City of San José Emergency Rental Assistance (Local Program),
 - Partnership with Santa Clara County's Mediation Program,
 - City of San José Eviction Help Center, and
 - Work with the Emergency Operation Center (EOC) to mobilize volunteers

Policy Alternatives:

- Tenants pay at least 25% of the July and August monthly rent when due to match SB 91 requirements.
- Tenants who submit a Declaration of COVID-19 Related Financial Distress will have an additional four months until December 31, 2021 to pay their rent balance for July and August 2021 rent.



DECLARATION OF CONTINUED COVID-19 RELATED FINANCIAL DISTRESS & VERIFICATION OF SUBMITTED RENTAL ASSISTANCE APPLICATION

As Related to the City of San José Eviction Moratorium

The Declaration applies to tenants, lessees, or residents of residential properties who are covered under the City of San José Eviction Moratorium. You must submit declaration to the landlord within three days of being served a notice of nonpayment of rent in order to receive protection AND pay 50% of July and August rent.

I am currently unable to pay 50% of my current rent or other financial obligations under the lease in full because of one or more of the following:

1. Loss of income caused by the COVID-19 pandemic.
2. Increased out-of-pocket expenses directly related to performing essential work during the COVID-19 pandemic.
3. Increased expenses directly related to health impacts of the COVID-19 pandemic.
4. Childcare responsibilities or responsibilities to care for an elderly, disabled, or sick family member directly related to the COVID-19 pandemic that limit my ability to earn income.
5. Increased costs for childcare or attending to an elderly, disabled, or sick family member directly related to the COVID-19 pandemic.
6. Other circumstances related to the COVID-19 pandemic that have reduced my income or increased my expenses.
7. I have been making an attempt in good faith to apply for rental assistance through the State, County, or local program and have applied or will apply **within 14 days for rental assistance**.

I understand that I must still pay 50% of rent or make a housing payment and comply with other obligations that I may have under my tenancy, lease agreement, or similar contract. I further understand that at the end of this temporary halt on evictions on September 1, 2021, my housing provider can require payment of my outstanding rent payments not paid during the moratorium and failure to pay can lead to an eviction. Any public assistance, including unemployment insurance, pandemic unemployment assistance, state disability insurance (SDI), or paid family leave, that I have received since the start of the COVID-19 pandemic does not fully make up for my loss of income and/or increased expenses.

I declare under penalty of perjury under the laws of the State of California that the statements above are true and correct.

Declarant Name

Signature of Declarant

Date

HOW TO APPLY FOR RENTAL ASSISTANCE

The California COVID-19 Rent Relief Program

Apply online: <https://housing.ca.gov/>

For additional assistance call: 833-430-2122

If one or more individuals in the household meet all the following, you are eligible to apply:

- Have qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due to COVID-19;
- Demonstrate a risk of experiencing homelessness or housing instability; and
- Have a household income that is not more than 80% of the Area Median Income.

Santa Clara County Homelessness Prevention System

Apply online: <http://www.preventhomelessness.org/>

For additional assistance call: 408-926-8885 or

Email info@PreventHomelessness.org

Santa Clara County residents can also visit SCCRentHelp.org or call 2-1-1 for eligibility

To qualify, you must be a SCC resident who:

- Has been financially impacted by the pandemic;
- Is at-risk of losing your housing; AND
- Makes less than 30% of the area's median income

DECLARACIÓN DE CONTINUACIÓN DE CONDICIONES FINANCIERAS RELACIONADAS CON COVID-19 Y VERIFICACIÓN DE LA SOLICITUD DE ASISTENCIA DE ALQUILER ENVIADA

Relacionado con la Moratoria de Desalojo de la Ciudad de San José

La Declaración se aplica a inquilinos, arrendatarios o residentes de propiedades residenciales que están cubiertos por la Moratoria de Desalojo de la Ciudad de San José. Debe presentar una declaración al arrendador dentro de los tres días posteriores a la notificación de falta de pago del alquiler para recibir protección Y pagar el 50% del alquiler de julio y agosto.

Actualmente no puedo pagar el 50% de mi alquiler actual u otras obligaciones financieras en virtud del contrato de arrendamiento en su totalidad debido a uno o más de los siguientes:

1. Pérdida de ingresos causada por la pandemia COVID-19.
2. Aumento de los gastos de bolsillo directamente relacionados con la realización de trabajos esenciales durante la pandemia de COVID-19.
3. Aumento de los gastos directamente relacionados con los impactos en la salud de la pandemia COVID-19.
4. Responsabilidades de cuidado de niños o responsabilidades de cuidar a un miembro de la familia mayor, discapacitado o enfermo directamente relacionado con la pandemia de COVID-19 que limitan mi capacidad de generar ingresos.
5. Aumento de los costos para el cuidado de los niños o la atención de un familiar mayor, discapacitado o enfermo directamente relacionado con la pandemia de COVID-19.
6. Otras circunstancias relacionadas con la pandemia de COVID-19 que han reducido mis ingresos o aumentado mis gastos.
7. He intentado de buena fe solicitar asistencia para el alquiler a través del programa estatal, del condado o local y he solicitado o solicitaré en un plazo **de 14 días la asistencia para el alquiler.**

Entiendo que aún debo pagar el 50% del alquiler o hacer un pago de vivienda y cumplir con otras obligaciones que pueda tener bajo mi arrendamiento, contrato de arrendamiento o contrato similar. Además, entiendo que al final de esta suspensión temporal de los desalojos el 1 de septiembre de 2021, mi proveedor de vivienda puede exigir el pago de mis pagos de alquiler pendientes no pagados durante la moratoria y la falta de pago puede conducir a un desalojo. Cualquier asistencia pública, incluido el seguro de desempleo, la asistencia por desempleo pandémico, el seguro estatal por discapacidad (SDI) o la licencia familiar pagada, que haya recibido desde el inicio de la pandemia COVID-19 no compensa completamente mi pérdida de ingresos y / o aumento de gastos.

Declaro bajo pena de perjurio según las leyes del estado de California que las declaraciones anteriores son verdaderas y correctas.

Nombre del Declarante

Firma del declarante

Fecha

CÓMO SOLICITAR ASISTENCIA DE ALQUILER

El programa de alivio de la renta COVID-19 de California

Aplica en línea: <https://housing.ca.gov/>

Para asistencia adicional llame: 833-430-2122

Si una o más personas en el hogar cumplen con todos los siguientes requisitos, usted es elegible para solicitar:

- Haber calificado para beneficios de desempleo o experimentado una reducción en los ingresos del hogar, incurrido en costos significativos o experimentado otras dificultades financieras debido a COVID-19;
- Demostrar un riesgo de experimentar la falta de vivienda o la inestabilidad de la vivienda; y
- Tener un ingreso familiar que no supere el 80% del ingreso medio del área.

Sistema de prevención de la falta de vivienda del condado de Santa Clara

Aplica en línea: <http://www.preventhomelessness.org/>

Para asistencia adicional llame: 408-926-8885 o Correo electrónico info@PreventHomelessness.org

Los residentes del condado de Santa Clara también pueden visitar SCCRentHelp.org o llame 2-1-1 para la elegibilidad

Para calificar, debe ser un residente de SCC que:

- Ha sido afectado financieramente por la pandemia;
- Está en riesgo de perder su vivienda; Y
- Genera menos del 30% de los ingresos medios del área

BẢN TUYÊN BỐ ẢNH HƯỞNG TÀI CHÍNH VÌ COVID-19 VÀ XÁC NHẬN NỘP ĐƠN XIN HỖ TRỢ CHO TIỀN MƯỢN NHÀ

Dưới Đạo Luật Cấm Đuổi Người Mướn Nhà của Thành Phố San José

Tuyên bố sẽ áp dụng cho những người mướn nhà thuộc dưới Đạo Luật Cấm Đuổi Người Mướn Nhà của Thành Phố San José. Quý vị phải nộp tờ Tuyên Bố cho chủ nhà trong vòng ba ngày kể từ khi nhận được thông báo không trả tiền mướn nhà để được bảo vệ VÀ phải trả 50% tiền mướn nhà từ tháng 7 và tháng 8.

Tôi hiện không thể trả đầy đủ 50% tiền mướn nhà hiện tại theo hợp đồng mướn nhà vì một hoặc nhiều điều sau đây:

1. Mất thu nhập do COVID-19 gây ra.
2. Tăng chi phí liên quan đến việc thực hiện các công việc vì COVID-19.
3. Tăng chi phí liên quan đến ảnh hưởng sức khỏe của COVID-19.
4. Trách nhiệm chăm sóc trẻ em hoặc trách nhiệm chăm sóc người già, người tàn tật hoặc thành viên gia đình bị bệnh liên quan đến COVID-19 hạn chế khả năng kiếm thu nhập của tôi.
5. Tăng chi phí cho việc chăm sóc trẻ em hoặc chăm sóc người già, người tàn tật hoặc thành viên gia đình bị bệnh liên quan đến COVID-19.
6. Các trường hợp khác liên quan đến COVID-19 đã làm giảm thu nhập hoặc tăng chi phí của tôi.
7. Tôi đã cố gắng để xin hỗ trợ mướn nhà thông qua Chương Trình của Tiểu Bang và Quận Hạt và đã nộp đơn hoặc sẽ nộp đơn xin hỗ trợ mướn nhà trong vòng 14 ngày.

Tôi hiểu rằng tôi vẫn phải trả 50% tiền mướn nhà hoặc và tuân theo các hợp đồng mướn nhà. Tôi hiểu thêm rằng khi kết thúc Đạo Luật Cấm Đuổi Người Mướn Nhà vào ngày 1 tháng 9 năm 2021, chủ nhà của tôi có thể yêu cầu tôi trả các tiền nhà chưa trả trong thời gian, hoặc có thể dẫn đến việc bị đuổi ra khỏi nhà. Bất kỳ hỗ trợ công cộng nào, bao gồm bảo hiểm thất nghiệp, trợ cấp thất nghiệp do đại dịch, bảo hiểm tàn tật của tiểu bang (SDI) hoặc nghỉ phép có lương mà tôi nhận được kể từ khi bắt đầu đại dịch COVID-19 không đáp được hoàn toàn cho việc tôi bị mất thu nhập và / hoặc tăng chi phí.

Tôi tuyên bố sẽ chịu hình phạt theo luật của Bang California rằng các câu trên là đúng và chính xác.

Tên người mướn nhà

Chữ ký của người mướn nhà

Ngày

CÁCH ĐĂNG KÝ TIỀN HỖ TRỢ MƯỢN NHÀ

Chương Trình California COVID-19 Rent Relief Program

Nộp đơn trên mạng: <https://housing.ca.gov/>
Để được hỗ trợ thêm, xin gọi: 833-430-2122

Nếu một hoặc hộ gia đình đáp ứng tất cả những điều sau đây, quý vị đủ điều kiện đăng ký:

- Đã đủ điều kiện nhận trợ cấp thất nghiệp hoặc bị giảm thu nhập hộ gia đình, chịu chi phí đáng kể, hoặc gặp khó khăn tài chính khác do COVID-19;
- Thể hiện nguy cơ gặp phải tình trạng vô gia cư; và
- Có thu nhập hộ gia đình không quá 80% thu nhập trung bình khu vực.

Chương Trình Santa Clara County Homelessness Prevention System

Nộp đơn trên mạng:
<http://www.preventhomelessness.org/>
Để được hỗ trợ thêm, xin gọi: 408-926-8885 hoặc email info@PreventHomelessness.org
Cư dân Quận Hạt Santa Clara cũng có thể truy cập SCCRentHelp.org hoặc gọi 2-1-1 để biết điều kiện.

Để đủ điều kiện, quý vị phải là cư dân SCC:

- Đã bị ảnh hưởng tài chính do COVID-19;
- Có nguy cơ mất nhà ở; VÀ
- Có thu nhập hộ gia đình không quá 30% thu nhập trung bình của khu vực.

Additional Research to Understand Eviction Trends

Staff also conducted research beyond analysis of rental assistance programs and targeted outreach to the housing community stakeholders. Additional research included:

- Survey conducted by Bloomberg Harvard City Leadership Initiative of San José COVID-19 Property Owner and Manager; and
- Research of other local jurisdictions' legislative actions on Eviction Moratoria

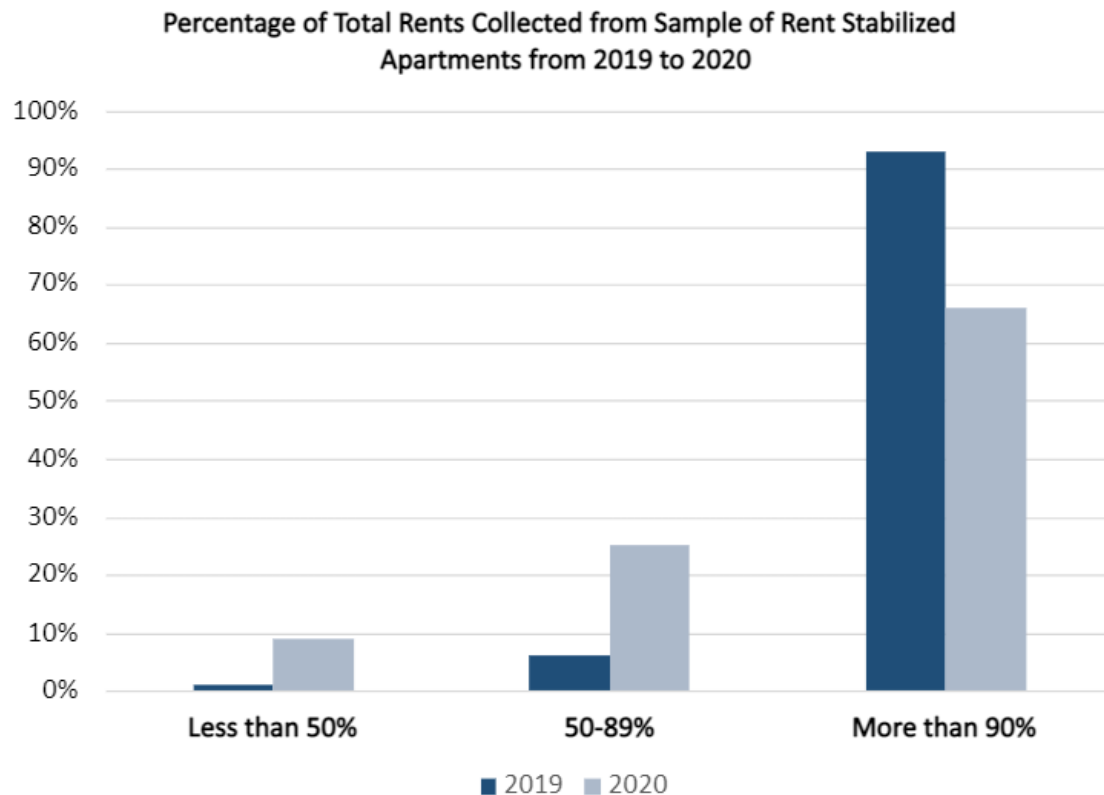
A. Analysis of 2021 Rental Property Arrears and Common Responses by Landlords to Pandemic in San José by Bloomberg Harvard City Leadership Initiative

The Housing Department partnered with researcher Dr. Elijah de la Campa from the Harvard Kennedy School, Bloomberg Harvard City Leadership Initiative, to conduct a San José COVID-19 Property Owner and Manager Survey Analysis. On February 25, 2021, the survey was sent to a subset of San José landlords to understand how COVID-19 was impacting their rental business. Dr. de la Campa has surveyed how property owners and managers in several U.S. cities have responded to the financial strain of the COVID-19 pandemic, including Albany and Rochester, NY; Akron, OH; Indianapolis; Minneapolis; Racine, WI; Trenton, NJ; and San José. The cross-city sample in San José included 1,831 responses representing 2,069 rental properties with an 8.5% response rate.

City of San José findings focused on the magnitude of the rent arrears crisis, the steps property owners and managers have been taking in response to loss of income, and their willingness to participate in emergency rental assistance programs. The majority of responses were from multi-family rental property owners and managers who registered through the Rent Registry of the Rent Stabilization Program.

Using a sample of 238 rental properties, primarily comprised of rent stabilized buildings with three or more units, an analysis of rental property arrears was conducted to compare rent received expressed as a percentage of total rent charged at that property in 2019 to 2020 (**Figure 1**). Arrears generally refers to any amount that is overdue after the payment due date for accounts such as rents, loans, and mortgages. Because most survey respondents were owners of rent stabilized buildings – and because rent-stabilized buildings tend to be located in areas with lower median incomes and rents – the results below should be interpreted as representative of the lower end (i.e., more socially and economically vulnerable) of San José's rental market.

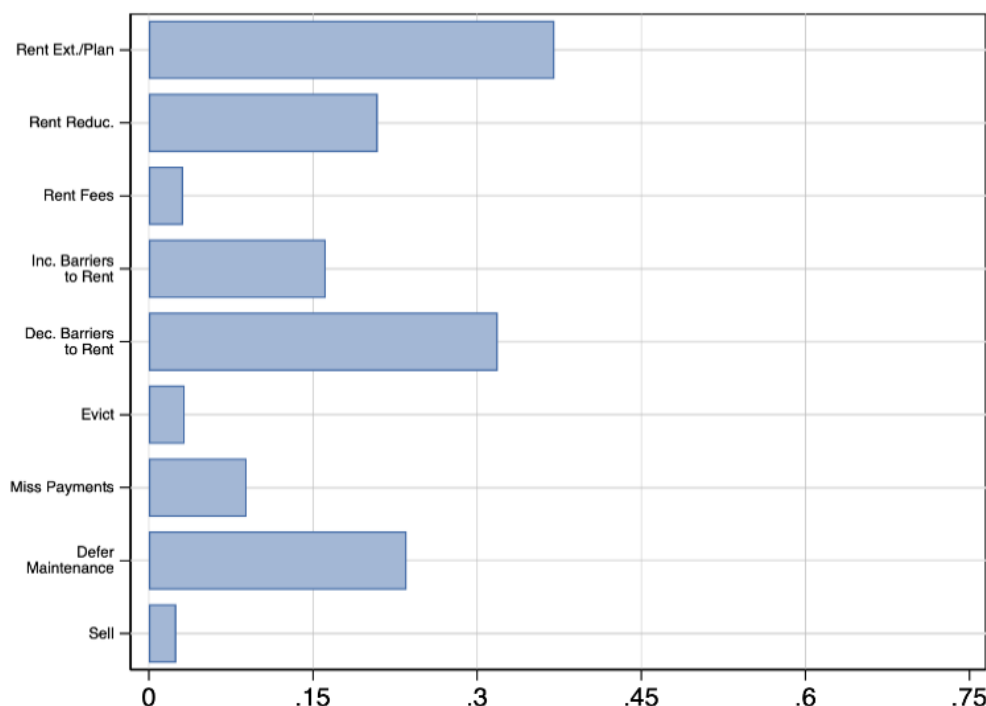
Figure 1: Percentage of Total Rents Collected from Sample of Rent Stabilized Apartments from 2019 to 2020



- **27 percentage point decrease in properties generating 90% or more of total rents** – The findings found that in 2019 during pre-COVID-19, 93% of property owners and managers’ rental properties generated 90% or more of charged, yearly rents. In 2020 during COVID-19, only 66% of property owners and managers’ rental properties meet this benchmark – a 27 percentage point decrease.
- **19 percentage point increase in properties generating 50-89% of total rents** – The percentage of rental properties generating only 50-89% of yearly rents increased four-fold from 6% in 2019 to 25% in 2020.
- **8 percentage point increase in property owners and managers receiving less than 50% of total rents** – There was an 8 percentage point increase in the share of properties in severe arrears, defined as a property generating less than 50% of yearly rents. Relative to 2019, rent arrears (less than 90% of rent received) and deep arrears (less than 50% of rent received) were up significantly at rental properties that comprise the lower end of San José’s rental market. By the end of 2020, nearly one in ten rental properties in the lower end of San José’s rental market were producing less than half of their typical yearly revenue.

Property owners and managers were also surveyed on their responses to the COVID-19 pandemic during 2020 at the rental property level among this sample of 238 respondents (**Figure 2**).

Figure 2: Property owners and managers’ responses to the pandemic for properties behind on rent



- “RentExt./Plan” indicates rental extensions and/or putting tenants on repayment plans.
- “Rent Reduc.” Indicates rental forgiveness (either in full or a portion).
- “RentFees” indicates fees charged for late rent.
- “Inc. Barriers to Rent” indicates rent increases and/or increases to tenant screening standards.
- “Dec. Barriers to Rent” indicates rent decreases and/or decreases to tenant screening standards.
- “Evict” indicates the commencement of eviction procedures (and potentially, the conclusion).
- “Miss Payments” indicates missed mortgage, property tax, and/or utility payments.
- “Defer Maintenance” indicates delayed property repairs or maintenance.
- “Sell” indicates the listing of a property for sale.

Property owners and managers’ most common responses to the pandemic (among this segment of the market) included offering rental repayment plans and decreasing rents/tenant screening standards, and deferring maintenance. In particular, nearly 40% of all rental properties in the lower end of San José’s rental market had at least one tenant put on a repayment plan during 2020 while nearly 30 percent of these properties experienced decreases in tenant screening standards, primarily through rent decreases. Around 20 percent of properties experienced delays in property maintenance. Nearly all of these responses were considerably more pronounced among properties with tenants in arrears (results not shown).

B. Research of other local jurisdictions’ legislative actions on Eviction Moratoriums

Staff also analyzed other jurisdictions and their actions on extending their local eviction moratorium:

- ***City and County of San Francisco:*** With state law set to expire on June 30, 2021, on May 25, 2021 San Francisco's Board of Supervisors unanimously approved a three month extension of the city's eviction moratorium through the end of September. Under this ordinance, landlords can evict tenants only for not paying rent, violence, threats of violence, or health and safety issues. The City and County of San Francisco also launched their online rental assistance portal on May 28, 2021.
- ***City of San Diego:*** On Wednesday, May 5, 2021, San Diego's Board of Supervisors voted to temporarily extend the city's eviction moratorium which prohibits residential evictions without just cause and also enacts a moratorium on certain residential rent increases. The moratorium will expire 60 days after the state lifts all COVID- related stay-at-home orders, which is set to happen June 15, 2021. The City's temporary ban on evictions will take effect on July 1, 2021, the date after the State eviction ban expires, unless the State further extends its eviction moratorium.
- ***San Diego County:*** On Tuesday, May 4, 2021 San Diego County adopted a countywide temporary rent cap. Under the ordinance, landlords under the new law can no longer evict tenants for "just cause" reasons, such as lease violations, and can only be removed if they are an "imminent health or safety threat." It also prohibits a homeowner from moving back into their property and evicting a tenant, which is an exception currently permitted by law. In addition, rent increases will be capped at a roughly four percent . The cap will be based on the inflation rate included in the Consumer Price Index for the San Diego region for April 2020 to April 2021. The ordinance began Tuesday, May 11, 2021 will last for 60 days after Governor Newsom lifts all COVID-19-related stay-at-home orders.