



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Mayor Sam Liccardo
Councilmember Raul Peralez
Councilmember Sylvia Arenas

SUBJECT: SEE BELOW

DATE: June 18, 2021

Approved by:

Date: 6/18/21

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

RECOMMENDATION

Accept staff report and include the following recommendations:

1. Maintain 25% repayment for the month of July and August rent when due
2. Remove clause "Proof of my application for rental assistance is enclosed with this form" from Declaration of Continued COVID-19 Related Financial Distress form
3. Prior to August 31, 2021, return with an analysis for Council consideration to extend the Eviction Moratorium if findings demonstrate the need for a continued moratorium and revisit phased approach of the repayment percentage amount at that time.

DISCUSSION

San José has arrived at a point where 79% of our residents have received at least one vaccination dose and our community can now safely re-open at near maximum capacity, a day that seemed almost unimaginable one year ago. However, this return to normalcy should not undermine the fact that thousands of families in San José have been crushed by accumulating rental debt from the past year. At the end of this month, California's eviction moratorium is slated to end, and as we navigate out of one crisis, failing to protect our tenants will create another one - resulting in mass evictions and potential homelessness.

According to the report, "The Eviction Time Bomb" by Working Partnerships USA and the Law Foundation of Silicon Valley, it is estimated that over 43,000 tenants, disproportionately Black and Latinx, will be at the highest risk for eviction. Data from the

Law Foundation show that during the pandemic, the percentage of their San José clients who reported that unemployment benefits were their main source of income increased by 1,100%. From 2019 to 2020, the percentage of their clients reporting no income at all increased by 22%, and since March 2020, 80% of the families and individuals seeking assistance were people of color. We thank staff for putting forth this recommendation, but we must ensure at this time continuation of the State protections, especially for our communities of color, which disproportionately are affected by evictions and homelessness.

Through federal and state funds, California has set aside \$2.6 billion in rental assistance. However, the process to receive that aid has been marred with delays and backlog, leaving many renters unable to secure the money needed to pay their rent. Even changing the requirement to 50% of July and August rent could prove challenging to many tenants still waiting for their application to be approved. This is a time when we should provide stability and an additional 25% would simply be too sharp of an increase knowing the bureaucratic delays of the rent relief program.

At the onset of COVID-19, the City formally set up a process to document those who were experiencing financial difficulty due to the pandemic. We know that providing financial documentation was an obstacle for many. The State legislation, AB 3088 and SB 91, allowed for a simpler declaration form provided by the landlord to the tenant at the time of noticing demanding rent payment. While it was not perfect, the declaration form made it easier for tenants to attest to COVID-19 related economic impact. We should encourage and require application to the Emergency Rental Assistance programs; however, requiring that the tenant show proof of their application would be additional paperwork that could inadvertently place tenants at a greater risk for eviction.

Lastly, staff should return to the Council before the end of the extended moratorium with an analysis demonstrating if the moratorium needs to be extended, and if so recommend their phased approach at that time. While the next two months may be sufficient for the aid to be distributed, it is critical that we closely monitor whether additional protections will be necessary to provide the safety net needed.