

City of San Diego
San Diego Housing Commission (SDHC)

COVID-19 Housing Stability Assistance Program

Housing Authority, Item #2
City Council Meeting, Item 603
February 22, 2021



SAN DIEGO
HOUSING
COMMISSION



City of San Diego

COVID-19 Housing Stability Assistance Program

Introduction

- The COVID-19 Housing Stability Assistance Program will help pay past-due, unpaid rent and utilities for City of San Diego households with low income that experience financial hardship due to the ongoing COVID-19 pandemic.
- Federal funding for rental assistance
 - Coronavirus Response and Relief Supplemental Appropriations Act of 2021
 - Signed into law December 27, 2020
 - \$25 billion for emergency rental assistance program funds, including \$2.6 billion for the State of California
- Funds allocated to the City of San Diego:
 - Direct from U.S. Treasury Department: \$42,333,563.00
 - Through State Coronavirus Relief Fund: \$45,561,171.14 (\$683,417.57 retained by state for administration)
- Additional \$5,000,000 previously allocated from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act

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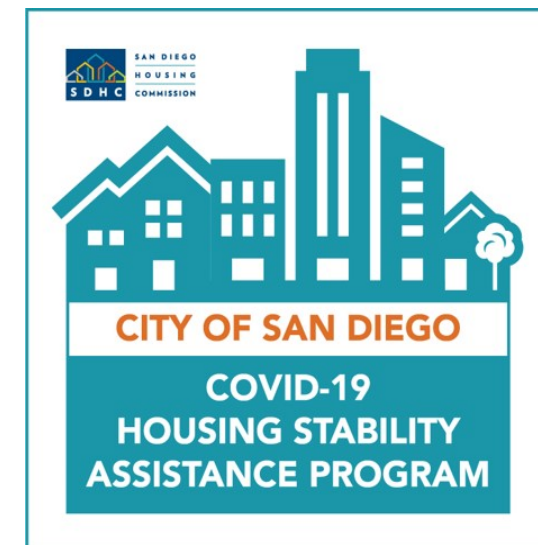
COVID-19 Housing Stability Assistance Program

Administration Options

- California State Senate Bill (SB) 91 approved allocation of funds from State Coronavirus Relief Fund
- SB 91 included three options for accessing and administering funds:
 - **State Program:** Transfer funds to the State for one program at the State level
 - **Local Program:** Receive a block grant from the State and administer funds directly. These funds would be combined with the direct federal allocation
 - **Hybrid Program:** Administer a local program with funds received directly from the federal government. The State would administer the funds allocated by the State. Not subject to the funding requirements to pay 80 percent of arrears and 25 percent of upcoming rent

City of San Diego COVID-19 Housing Stability Assistance Program Administration Options (Continued)

- The “Local Program” option:
 - provides for local administration of the funds focused on equitable distribution based on consistent demonstrated need
 - helps to ensure timely distribution of funds
 - limits potential confusion for at-risk households because the funds are available through one City of San Diego program



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

- State funding requirements:
 - City must obligate at least 65 percent of the State-allocated funds no later than **June 1, 2021**, or
 - City must have a plan to expend all of the State-allocated funds no later than **August 1, 2021**
- Federal funding requirements:
 - 65 percent of the federal-allocated funds must be obligated no later than **September 30, 2021**, and
 - All of the federal-allocated funds must be expended no later than **December 31, 2021**

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COVID-19 Housing Stability Assistance Program

Program Design

- Help pay rent and utilities for households with low income (up to 80 percent of San Diego's Area Median Income [AMI])
 - Priority for households with income below 50 percent of AMI or unemployed for 90 days.
- Landlords can receive 80 percent of their tenants' arrears for the period of April 1, 2020, to March 31, 2021, if they agree to forgo the remaining 20 percent.
 - If a landlord declines this provision, the program can pay 25 percent of the tenants' arrears.
- Rental arrears must be prioritized before paying prospective rent. If funds remain available, the program can help with upcoming rent.
- If funds remain available in the program after rental arrears have been cleared and other households are assisted—the landlord also can receive a payment of 25 percent of the upcoming rent for the months of April through June 2021.
- The program also will include assistance to pay past-due, unpaid utilities, such as electricity, gas, water and sewer, trash removal and energy costs.

City of San Diego COVID-19 Housing Stability Assistance Program Eligibility Criteria

- Tenant has a City of San Diego address
- Household income is at or below 80 percent of AMI, with priority for households at or below 50 percent of AMI
- Household has an obligation to pay rent
- Household does not currently receive any rental subsidies
- At least one member of the household has a reduction of income or other financial hardship due to COVID-19
- Household experienced or is at risk of experiencing homelessness or housing instability

City of San Diego COVID-19 Housing Stability Assistance Program Application Process

- Online application portal will be available on SDHC's website **no later than March 15, 2021**, to apply and submit required documents.
- Applications accepted from:
 - Tenants
 - Landlords, on the tenant's behalf
 - Community-based organizations, on the tenant's behalf
- SDHC will collaborate with community-based organizations to help with community outreach and to assist households with their applications, especially those without internet access
- SDHC also anticipates working with 211 San Diego to provide customer service and application assistance

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Community Outreach

- Interest List sign-up posted on SDHC's website on February 4, 2021
 - Approximately 3,000 individuals signed up to receive information about the program, pending Council approval
- Comprehensive outreach strategy is anticipated to include, but would not be limited to:
 - Collaboration with Mayor's office, Councilmembers' offices and community-based organizations to distribute information
 - Program information mailed to utility customers in collaboration with City of San Diego and SDG&E
 - Direct mail and/or email to households in ZIP Codes the State identifies as most affected by COVID-19
 - Email to more than 90,000 households on Section 8 Housing Choice Voucher rental assistance waiting list
 - News media
 - Public service advertising on English- and Spanish-language television and radio and in community newspapers

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City Staff Requested Actions

- 1) The Mayor, or designee, is authorized and authorized and directed to accept funds from the State of California's Department of Housing and Community Development (HCD) as block grant funds to be administered under Option B, in an amount not to exceed \$136,000,000, and sign the standard agreement and any other Program documents, including amendments, and take any other actions necessary or appropriate to secure the funds from the Department and;
- 2) Authorize the City of San Diego's Chief Financial Officer to appropriate and expend a total of \$42,333,563.00 in Direct Funds and a total of \$44,877,753.57 in State Funds for the Program, contingent upon the Direct Funds and State Funds being secured, and transfer \$42,333,563.00 in Direct Funds, \$44,877,753.57 in State Funds and \$5,000,000 in CDBG-CV funds to the Housing Commission for the Program; and
- 3) Authorize the City of San Diego to enter into a Memorandum of Understanding (MOU) with the San Diego Housing Commission for oversight and administration of the City of San Diego's COVID-19 Housing Stability Assistance Program to provide emergency rental assistance and/or utility assistance to households with low income in the City of San Diego that experience financial hardship due to the COVID-19 pandemic.

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

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

- 1) Authorize SDHC to enter into a Memorandum of Understanding (MOU) with the City of San Diego for SDHC to oversee and administer the City of San Diego's COVID-19 Housing Stability Assistance Program to provide emergency rental assistance and/or utility assistance to households with low income in the City of San Diego that experience financial hardship due to the COVID-19 pandemic;
- 2) Authorize SDHC to amend its Fiscal Year 2021 budget in the amount of \$92,211,316.57 which consists of \$42,333,563 in federal Coronavirus Relief Funds allocated directly to the City of San Diego; \$44,877,753.57 in federal funds allocated by the State of California to the City of San Diego, and \$5,000,000 from federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Community Development Block Grant (CDBG) funds awarded to the City of San Diego, to be administered by SDHC to provide emergency rental assistance and/or utility assistance to households with low income in the City of San Diego that experience financial hardship due to the COVID-19 pandemic and to cover administrative expenses in accordance with federal and state funding requirements; and

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

- 3) Authorize SDHC's President & CEO, or designee, to modify the COVID-19 Housing Stability and Assistance Program, if necessary, without further action by SDHC's Board of Commissioners (Board) or the Housing Authority, but only if and to the extent that such changes comply with the terms of the executed MOU and are necessary to fulfill federal and state funding requirements;
- 4) Authorize SDHC's President & CEO, or designee, to substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement this approval and delegation of authority by SDHC upon advice of the General Counsel; and
- 5) Authorize the SDHC's President & CEO, or designee, to execute all necessary documents and instruments that are necessary and/or appropriate to implement these approvals, in a form and format approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals.



Questions & Comments