

File No. 210761

Committee Item No. 7

Board Item No. 12

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date March 23, 2022

Board of Supervisors Meeting

Date April 5, 2022

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>FYI Referrals - 7/6/2021 and 3/16/22</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>MOHCD Presentation - 3/23/2022</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Brent Jalipa

Date March 17, 2022

Completed by: Brent Jalipa

Date March 31, 2022

1 [Administrative Code - COVID-19 Rent Resolutions and Relief Fund]

2

3 **Ordinance amending the Administrative Code to revise the COVID-19 Rent Resolutions**
4 **and Relief Fund to allow for direct assistance to low-income tenants (in addition to**
5 **existing authority to provide direct assistance to their landlords), allow for grants to**
6 **nonprofit, community based organizations to administer rent relief from the Fund, and**
7 **remove certain restrictions on the provision of rent relief from the Fund, while**
8 **authorizing the Mayor’s Office of Housing and Community Development to develop**
9 **rules governing such rent relief; and to extend the use of the Fund for COVID-19 related**
10 **purposes from March 31, 2023 to June 30, 2023.**

11 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
12 **Additions to Codes** are in *single-underline italics Times New Roman font*.
13 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
14 **Board amendment additions** are in double-underlined Arial font.
15 **Board amendment deletions** are in ~~strikethrough Arial font~~.
16 **Asterisks (* * * *)** indicate the omission of unchanged Code
17 subsections or parts of tables.

18 Be it ordained by the People of the City and County of San Francisco:

19 Section 1. Chapter 10, Article XIII, of the Administrative Code is hereby amended by
20 revising Section 10.100-51.1, to read as follows:

21 **SEC. 10.100-51.1. COVID-19 RENT RESOLUTIONS AND RELIEF FUND.**

22 (a) **Establishment of Fund.** The COVID-19 Rent Resolution and Relief Fund (the
23 “Fund”) is hereby established as a category eight fund to provide financial ~~support~~ assistance to
24 (1) landlords of residential rental units as defined in Chapter 37 of the Administrative Code
25 whose low income tenants have been unable to pay rent ~~due~~ for reasons related to the COVID-

1 19 pandemic, and/or (2) low income tenants of residential rental units as defined in Chapter 37 of the
2 Administrative Code if their landlords have refused to participate in COVID-19 rent relief programs or
3 are unresponsive to requests to participate in such rent relief programs. “Low income” is defined as
4 up to 80 percent of the median income for the San Francisco area, as published annually by the United
5 States Department of Housing and Urban Development.

6 (b) **Use of Fund.** The Mayor’s Office of Housing and Community Development
7 (“MOHCD”) shall administer the Fund to provide ~~grants~~financial assistance to ~~the~~ landlords
8 and/or low income tenants, as specified in subsections (a) and (c)(2), to prevent evictions related to
9 who have agreed to waive back rent that became due during the COVID-19 state of emergency.
10 MOHCD’s criteria for receiving financial assistance from the Fund shall be based on the tenant
11 demonstrating the following: (1) the tenant’s household income does not to exceed low income; (2) the
12 tenant has experienced financial hardship during or due to the COVID-19 pandemic; and (3) the tenant
13 is at risk of homelessness or housing instability. ~~The grants shall cover up to 50% of the rent that the~~
14 landlord has waived, up to \$3,000 per unit per month. In the case of small landlords facing hardship,
15 the grant may exceed \$3,000 per month and may cover up to 65% of the rent that the landlord has
16 waived. For purposes of this Section 10.100-51.1, the term “small landlords” means landlords with 10
17 or fewer rental units in the City; and the term “facing hardship” means that the unpaid rent is likely to
18 cause the landlord to become unable to pay mortgage payments, perform other preexisting obligations,
19 or complete necessary repairs at the property.

20 (c) **Administration of Fund.**

21 (1) **Responsible Agency.** MOHCD shall administer the Fund, shall develop
22 rules for receiving financial assistance from the Fund in accordance with subsection (b), including but
23 not limited to, additional criteria for eligibility, prioritization, and financial assistance forms for
24 landlords to use when applying for grants, and may consult with other City agencies such as the
25 Residential Rent Stabilization and Arbitration Board (“Rent Board”). In consultation with the

1 Controller's Office and any other City agency as MOHCD deems appropriate, the MOHCD
2 Director or the Director's designee shall adopt rules for the distribution of monies in the Fund
3 consistent with this Section 10.100-51.1. MOHCD shall make these rules available on its
4 website and at its office.

5 (2) *Methods of Assistance.* MOHCD may use the Fund to provide financial assistance
6 directly to landlords and/or tenants. In addition, or in the alternative, MOHCD may administer the
7 Fund through the award of grants to one or more nonprofit, community based organizations, subject to
8 this Section 10.100-51.1 and any rules adopted by MOHCD. If MOHCD administers the Program
9 through the award of grants to one or more nonprofit, community based organizations, MOHCD shall
10 comply with Administrative Code Chapter 21 and Chapter 21G, as applicable.

11 ~~—(2) *Criteria for Disbursement.* MOHCD's rules regarding the distribution of monies~~
12 ~~from the Fund shall incorporate and develop the following criteria:~~

13 ~~—(A) *Eligibility.* To be eligible to receive a grant from the Fund, the landlord must submit~~
14 ~~an application signed under penalty of perjury by both the landlord and the tenant that establishes all~~
15 ~~of the following: (i) the grant request is based on unpaid rent that initially became due during the~~
16 ~~COVID-19 state of emergency or up to 60 days thereafter; (ii) the tenant was unable to pay the rent due~~
17 ~~to COVID-19 related income loss or expenses; (iii) the landlord will waive and fully release the tenant~~
18 ~~from any obligation to pay rent for the entire period covered by the grant, even though the grant will~~
19 ~~cover only a percentage of the amount owed for that period; and (iv) the tenant still resides in the~~
20 ~~rental unit and has no present intent to vacate. MOHCD may also develop additional requirements and~~
21 ~~procedures to ensure that landlords who receive grant funds continue to operate their units as~~
22 ~~residential rental units for at least 5 years after the date of the grant acceptance.~~

23 ~~—(B) *Priority.* To the extent claims exceed available funds, MOHCD shall give priority to~~
24 ~~small landlords facing hardship. MOHCD may also develop additional criteria and procedures to~~
25 ~~allocate funds should claims exceed available funds.~~

1 —(~~C~~)(3) **Expiration.** MOHCD may award grants *to nonprofit community based*
2 *organizations, and may provide direct financial assistance to landlords and tenants,* from the Fund
3 until ~~March 31~~June 30, 2023. Any monies in the Fund that are not expended by ~~March 31~~June
4 30, 2023 may be used by MOHCD for other ~~back rent payment~~ rental assistance and eviction
5 prevention programs. The Board of Supervisors may extend this date by ordinance.

6 (34) **Outside Consultation.** MOHCD may consult with organizations representing
7 the interests of landlords and/or tenants regarding its implementation of this Section 10.100-
8 51.1.

9
10 Section 2. Effective Date. This ordinance shall become effective 30 days after
11 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
12 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
13 of Supervisors overrides the Mayor’s veto of the ordinance.

14
15 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
16 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
17 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
18 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
19 additions, and Board amendment deletions in accordance with the “Note” that appears under
20 the official title of the ordinance.

21
22 Section 4. Undertaking for the General Welfare. In enacting and implementing this
23 ordinance, the City is assuming an undertaking only to promote the general welfare. It is not
24 assuming, nor is imposing on its officers and employees, an obligation for breach of which it is
25

1 liable in money damages to any person who claims that such breach proximately caused
2 injury.

3

4 APPROVED AS TO FORM:
5 DAVID CHIU, City Attorney

6 By: /s/ _____
7 KEITH NAGAYAMA
8 Deputy City Attorney

9 n:\legana\as2022\2000521\01590757.docx

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

REVISED LEGISLATIVE DIGEST
(Amended in Committee - 3/23/2022)

[Administrative Code - COVID-19 Rent Resolution and Relief Fund]

Ordinance amending the Administrative Code to revise the COVID-19 Rent Resolution and Relief Fund to allow for direct assistance to low-income tenants (in addition to existing authority to provide direct assistance to their landlords), allow for grants to nonprofit, community based organizations to administer rent relief from the Fund, and remove certain restrictions on the provision of rent relief from the Fund, while authorizing the Mayor’s Office of Housing and Community Development to develop rules governing such rent relief; and to extend the use of the Fund for COVID-19 related purposes from March 31, 2023 to June 30, 2023.

Existing Law

The COVID-19 Rent Resolution and Relief Fund (the “Fund”) is currently established under Administrative Code 10.100-51.1 to provide rent relief to tenants who are unable to pay due to the COVID-19 pandemic. The Fund is administered by the Mayor’s Office of Housing and Community Development (“MOHCD”) and is used to provide grants to landlords who have agreed to waive back rent that became due during the COVID-19 state of emergency. Grants are limited to 50% of the rent that a landlord has waived, up to \$3,000 per unit per month, but in the case of small landlords facing hardship, the grant may exceed \$3,000 per month and may cover up to 65% of the rent that the landlord has waived. Landlords applying for a grant are required to satisfy eligibility requirements under Administrative Code 10.100.51.1, and priority is given to small landlords facing hardship. MOHCD may award grants to landlords until March 31, 2023, and thereafter may use the Fund for other back rent payment assistance or eviction prevention programs.

Amendments to Current Law

The Proposed Legislation amends the Administrative Code as follows:

- a) allows MOHCD to provide direct financial assistance to tenants, in addition to landlords, or deliver such financial assistance by providing grants to community-based, nonprofit organization to provide such financial assistance to tenants;
- b) to receive financial assistance, tenants must have demonstrated: (1) household income is no greater than 80% of area median income (low income); (2) financial hardship during or due to the COVID-19 pandemic; and (3) risk of homelessness or housing instability;

c) requires MOHCD to establish rules for additional eligibility criteria, prioritization, and the amount of financial assistance;

d) eliminates restrictions on the amount of financial assistance and other eligibility criteria for receiving financial assistance; and

c) extends the use of the Fund for COVID-19 related rent relief from March 31, 2023, to June 30, 2023.

Background Information

The Proposed Legislation substitutes legislation introduced on June 29, 2021, at a regular meeting of the Board of Supervisors.

n:\legana\as2022\2000521\01590760.docx

Items 7 & 8 Files 21-0761 & 22-0211	Department: Mayor’s Office of Housing and Community Development
--	---

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution (File 22-0211) would (a) retroactively approve four grant agreements for the distribution of COVID-19 rental assistance through MOHCD’s Emergency Rental Assistance Program in an aggregate amount not to exceed \$52,050,000 for a term from July 1, 2021 through June 30, 2023; (b) authorize the Mayor and the Director of MOHCD to execute the agreements; and (c) grant authority to City officials to take actions necessary to execute the agreements.
- The proposed ordinance (File 21-0761) would amend the Administrative Code to revise the eligible uses for monies in the COVID-19 Rent Resolutions and Relief Fund.

Key Points

- Since the introduction of File 22-0211, MOHCD has updated the funding plan for its rental assistance grantees. The Department will introduce an amended resolution to (1) approve revised grant agreements with three (instead of four) grantees: Catholic Charities, Eviction Defense Collaborative, and Mission Neighbor Centers; (2) remove references to La Raza Community Resource Center; and (3) adjust the resolution amount from \$52,050,000 to \$40,550,000 to match the proposed revised grant amounts. The revised agreements are no longer retroactive.

Fiscal Impact

- The proposed revised grant agreement amounts are: \$14.1 million for Catholic Charities, \$16.6 million for Eviction Defense Collaborative, and \$9.85 million for Mission Neighborhood Centers, which total \$40,550,000.
- The grant agreements allow the organizations to use local funds for administrative costs, in addition to financial assistance to renters. The proposed revised grant agreements would provide approximately \$33.9 million in financial assistance. Households will receive \$15,000 on average, though assistance is based on need. Based on that \$15,000 average distribution, 2,259 households are expected to be served by the three proposed revised grants.

Policy Consideration

- The proposed ordinance would eliminate restrictions on financial assistance and add eligibility criteria for tenants to align with an existing City rent relief program.

Recommendations

1. Approve File 22-0211, as amended by the Department, for a total not to exceed amount of \$40,550,000 for three grant agreements with Catholic Charities, Eviction Defense Collaborative, and Mission Neighbor Centers.
2. Approval of File 21-0761 is a policy matter for the Board of Supervisors.

MANDATE STATEMENT

City Charter Section 2.105 states that all legislative acts shall be by ordinance, approved by a majority of the members of the Board of Supervisors.

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

San Francisco voters approved Proposition I in November 2020, increasing the real estate transfer tax to 5.5 percent on transactions of \$10 million to \$25 million and to 6 percent on transactions of \$25 million or more, which according to the November 2020 Voter Guide, was estimated to increase real estate transfer tax revenues by \$196 million. The tax is a General Fund revenue.

Unpaid Residential Rent in San Francisco

In the October 27, 2020 Budget and Legislative Analyst's Office report, "Estimate of unpaid residential rent in San Francisco due to COVID-19 pandemic and related public health orders," we estimated that the unpaid residential rent in San Francisco between April 2020 and September 2020 totaled between \$81.3 million and \$196.2 million. Given the ongoing above average unemployment rate in the City, the actual amount of unpaid rent from September 2020 to present is likely higher than those estimates.

COVID-19 Rent Resolution and Relief Fund

In August 2020, the Board of Supervisors approved a resolution stating the Board's intention to appropriate revenue generated by Proposition I to: (a) provide rent relief to San Francisco tenants who have been unable to pay rent due to the COVID-19 pandemic; and (b) to social housing efforts, such as the acquisition and development of affordable housing (File 20-0708). In October 2020, the Board of Supervisors amended the Administrative Code to establish the COVID-19 Rent Resolution and Relief Fund (File 20-0611) with the intent to deposit a portion of the revenues generated by the increase in the real estate transfer tax to the fund.¹

MOHCD COVID-19 Rent Relief Funding

In April 2021, the Board of Supervisors approved an ordinance appropriating \$10,050,000 from property tax revenues to the Mayor's Office of Housing and Community Development (MOHCD)

¹ The Board of Supervisors also amended the Administrative Code to establish the Housing Stability Fund (File 20-1183) with the intent of depositing a portion of the revenues generated by the increase in the real estate transfer tax.

for rent relief under the Rent Resolution and Relief Fund, (File 20-1364).² In addition, the Fiscal Years (FYs) 2021-22 and 2022-23 Annual Appropriation Ordinance allocated \$32 million from the General Fund for rent relief, and \$10 million in Our City, Our Home funding from the Department of Homelessness and Supportive Housing has been allocated to MOHCD for rent relief.

In addition to the \$52.1 million in local funding described above, the MOHCD is also administering \$26.2 million in federal funding for rent relief for a total of \$78.3 million administered by MOHCD. The State is administering additional federal funding of \$86.6 million for rent relief for San Francisco residents according to MOHCD staff, for a total of a total of \$164.9 million in federal and local funding for rent relief for San Francisco residents.

According to MOHCD staff, more than \$21 million of federal funding administered by MOHCD has been spent to date to provide rent relief to more than 3,000 low-income households, but no local funding has been spent. According to the California COVID-19 Rent Relief Dashboard maintained by the State Housing & Community Development Agency, as of March 15, 2022, \$105,924,489 had been paid to 9,230 participants in the State rent relief program for San Francisco.

Original Grant Agreements

In April 2021, MOHCD issued a Request for Proposals (RFP) for community-based organizations to provide rent relief to San Francisco renters. Based on nine proposals received, MOHCD awarded grants to seven community-based organizations to provide rental assistance to tenants and landlords through the Emergency Rental Assistance Program (ERAP) as well as federally funded and locally funded COVID-19 rent relief programs. MOHCD initially awarded \$25 million in federally funded grants to the seven organizations and is in the process of awarding \$51 million in locally funded grants to six of the seven organizations for a total of \$76 million in grants awarded or pending. These grant awards are shown in Exhibit 1 below.

² The ordinance also appropriated \$10,050,000 from property tax revenues for the acquisition, creation, and operation of affordable, social housing under the Housing Stability Fund, for a total appropriation of \$20,100,000.

Exhibit 1: MOHCD Administered Grant Funding for COVID-19 Rent Relief

Organization	Existing Contract Amount (Federal Funding)	New Contract Amount (Local Funding)	Existing and New Contract Amount
Eviction Defense Collaborative	\$6,000,000	\$16,600,000*	\$22,600,000
Catholic Charities	6,000,000	14,100,000*	20,100,000
Mission Neighborhood Centers	4,000,000	9,850,000*	13,850,000
Young Community Developers	2,000,000	4,600,000	6,600,000
HOMEY	2,000,000	4,100,000	6,100,000
La Raza CRC	4,000,000	0**	4,000,000
Native American Health Center	<u>1,000,000</u>	<u>1,750,000</u>	<u>2,750,000</u>
<i>Subtotal Contracts</i>	\$25,000,000	\$51,000,000	\$76,000,000
Outreach/Unallocated	1,209,983	1,050,000	2,259,983
Total City Administered Funding	\$26,209,983	\$52,050,000	\$77,050,000

Source: MOHCD

* According to the City Attorney's Office, new contracts for Eviction Defense Collaborative, Catholic Charities, and Mission Neighborhood Centers are subject to Board of Supervisors' approval because the combined amount of the original and proposed agreements are greater than \$10 million. Amounts differ from draft grant agreements and the proposed resolution.

**The proposed resolution includes an \$8.4 million grant amount for La Raza, but MOHCD intends to amend the proposed resolution to remove this grant amount according to MOHCD staff.

All existing grants administering federal funding were for one-year and five-months terms beginning on May 1, 2021 and ending on September 30, 2022. The original grant agreements did not require Board of Supervisors approval because the agreement amounts did not exceed \$10 million or have terms that exceeded 10 years.

Of the grantees that are subject of the proposed resolution (Catholic Charities, Eviction Defense Collaborative, and Mission Neighborhood Centers), MOHCD staff reports total spending of \$12.5 million of the combined \$16.0 million in federal funding and have provided rent relief to a total of 1,818 households, as follows:

- \$3.8 million spent by Catholic Charities of the Archdiocese of San Francisco, serving 601 households;
- \$4.8 million spent by the Eviction Defense Collaborative, serving 625 households; and
- \$4.0 million spent by Mission Neighborhood Centers, Inc., serving 592 households.

According to MOHCD, remaining federal funding will be spent in the coming weeks to serve approximately 500 additional households. In addition, La Raza Community Resource Center has spent a portion of the federal funding provided in their original grant agreement, but MOHCD did not provide detailed information on how much spending has occurred.

DETAILS OF PROPOSED LEGISLATION

File 21-0761

The proposed ordinance would amend the Administrative Code to revise the COVID-19 Rent Resolutions and Relief Fund to:

- Allow MOHCD to provide direct financial assistance to tenants, in addition to landlords;
- Allow grants to nonprofit community-based organizations to administer rent relief from the Fund;
- Eliminate restrictions on the amount of financial assistance and other eligibility criteria for receiving financial assistance;
- Authorize MOHCD to develop rules for additional eligibility criteria, prioritization, and the amount of financial assistance; and
- Extend the use of the Fund for COVID-19 related purposes from March 31, 2023 to June 30, 2023.

File 22-0211

The proposed resolution would: (a) retroactively approve grant agreements for the distribution of COVID-19 rental assistance through MOHCD’s Emergency Rental Assistance Program in an aggregate amount not to exceed \$52,050,000 for a term from July 1, 2021 through June 30, 2023; (b) authorize the Mayor and the Director of MOHCD to execute the agreements; and (c) grant authority to City officials to take actions necessary to execute the agreements.

Under the proposed resolution, MOHCD is requesting to provide additional grant amounts to four existing grantees: Catholic Charities, Eviction Defense Collaborative, Mission Neighborhood Centers, and La Raza Community Resource Center. Rather than amending the existing grant agreements, the Department is entering into new grant agreements for the same purpose in recognition of the new local funding (as distinct from the federal sources that funded the original grant agreements, which require different compliance under federal rules).

Amended Resolution

Since introduction of the proposed resolution, MOHCD has updated the funding plan for its rental assistance grantees. The Department will introduce an amended resolution to: (1) approve revised grant agreements with three grantees (instead of four): Catholic Charities, Eviction Defense Collaborative, and Mission Neighborhood Centers; (2) remove references to La Raza Community Resource Center; and (3) adjust the resolution amount to match the proposed revised grant amounts, as detailed in Exhibit 2 below. The proposed revised grant agreements are no longer retroactive.

Performance Monitoring

According to the proposed draft grant agreements, MOHCD may monitor the grantee to: (a) determine if the grantee has achieved its objectives; (b) assess program performance; (c) determine the ethnic and income composition of program beneficiaries and staff; and (d) access

the grantee's financial management. The agreements require grantees to submit reports at least once per quarter, however the Department stated invoicing occurs monthly.

COVID-19 Rent Resolutions and Relief Fund Financial Assistance and Eligibility

Currently, funds in the Rent Resolution and Relief Fund may be used to provide grants to landlords who agree to waive unpaid rent related to COVID-19. Such grants may cover up to 50 percent of unpaid rent (and up to 65 percent for landlords with 10 or fewer units) up to \$3,000 per unit per month. The proposed ordinance would allow MOHCD to provide financial assistance to tenants, as well as landlords, and eliminates restrictions on the amount of financial assistance. The proposed ordinance also requires that tenants demonstrate the following: (a) household income does not exceed 80 percent of Area Median Income (AMI); (b) financial hardship attributable to the COVID-19 pandemic; and (c) risk of homelessness or housing instability. MOHCD would establish rules for the amount of financial assistance, additional eligibility criteria, and prioritization.

FISCAL IMPACT

Agreement Amounts Inconsistent with Resolution

The proposed resolution would approve four grant agreements totaling \$52,050,000 based on the total rental provided to all grantees. However, the underlying four grant agreements that require Board of Supervisors' approval amounts total \$77,437,500. This is in part because the proposed grant agreements unintentionally include the original agreement amounts (totaling \$20 million) and a 25 percent contingency on each (totaling \$15,487,500). MOHCD staff report that they intend to remove the grant agreement with La Raza, distribute those grant funds to the other organizations, as shown above in Exhibit 1 above, and remove the contingency amounts. The Department has provided our Office a draft revised resolution and revised grant agreements with Eviction Defense Collaborative, Catholic Charities, and Mission Neighborhood Centers, which are summarized in Exhibit 2 below.

Exhibit 2: Proposed Revised Grant Agreements

	Catholic Charities	Eviction Defense	Mission Neighborhood	Total
Sources				
<u>Original Agreement</u>				
Treasury ERA (Federal)	6,000,000	6,000,000	4,000,000	16,000,000
<u>Proposed Agreement</u>				
Our City, Our Home (Proposition C)	2,400,000	4,200,000	1,750,000	8,350,000
COVID-19 Rent Relief & Rent Resolution Fund	2,400,000	3,950,000	1,550,000	7,900,000
General Fund	<u>9,300,000</u>	<u>8,450,000</u>	<u>6,550,000</u>	<u>24,300,000</u>
<i>Subtotal Proposed Agreement</i>	<i>14,100,000</i>	<i>16,600,000</i>	<i>9,850,000</i>	<i>40,550,000</i>
Total Sources	20,100,000	22,600,000	13,850,000	56,550,000
Uses				
<u>Original Agreement</u>				
Financial Assistance	6,000,000	6,000,000	4,000,000	16,000,000
<u>Proposed Additional Amount</u>				
Salaries	1,145,812	1,490,480	911,436	3,547,728
Fringe	355,914	342,810	186,378	885,102
Contractual Services	389,482	15,000	88,000	492,482
Equipment	22,201	8,000	11,300	41,501
Space Rental	166,526	155,000	0	321,526
Financial Assistance to Households	11,403,800	14,073,115	8,407,572	33,884,487
Other	264,632	186,000	72,198	522,830
Indirect Costs	<u>351,633</u>	<u>329,594</u>	<u>173,116</u>	<u>854,344</u>
<i>Subtotal Proposed Agreement</i>	<i>14,100,000</i>	<i>16,600,000</i>	<i>9,850,000</i>	<i>40,550,000</i>
Total Uses	20,100,000	22,600,000	13,850,000	56,550,000

Source: MOHCD

As shown above in Exhibit 2, the proposed revised grant agreements would be funded by a combination of Our City, Our Home funds (\$8.35 million), COVID-19 Rent Relief and Resolution appropriations (\$7.9 million), and the General Fund (\$24.3 million).

Financial Assistance to Households

The grant agreements allow the organizations to use local funds for administrative costs, in addition to financial assistance to renters. The original agreement only permitted the organizations to use federally funded grants for an average of \$10,500 in financial assistance serving approximately 1,523 households. The proposed revised grant agreements would provide approximately \$33.9 million in financial assistance using local funds. Households will receive \$15,000, on average, though assistance is based on need. Based on that \$15,000 average

distribution, 2,259 households are expected to be served by the three proposed revised grants, as shown below in Exhibit 3.

Exhibit 3: Financial Assistance to Households

	Catholic Charities	Eviction Defense	Mission Neighborhood	Total
Original Agreement				
Financial Assistance	\$6,000,000	\$6,000,000	\$4,000,000	\$16,000,000
Assistance per Household	\$10,500	\$10,500	\$10,500	\$10,500
Households served	571	571	381	1,523
Proposed Revised Agreements				
Financial Assistance	\$11,403,800	\$14,073,115	\$8,407,572	\$33,884,487
Average Assistance per Household	\$15,000	\$15,000	\$15,000	\$15,000
Household Served	760	938	561	2,259
Total Financial Assistance	\$17,403,800	\$20,073,115	\$12,407,572	\$49,884,487
Total Households served	1,331	1,509	942	3,782

Source: Original Grant Agreements and Proposed Revised Grant Agreements

POLICY CONSIDERATION

Currently, grants from the COVID-19 Rent Resolution and Relief Fund cover 50 to 65 percent of unpaid rent but landlords receiving grants must waive all unpaid rent. However, grants funded by federal funding, through the State program, cover up to 80 percent of unpaid rent incurred between April 2020 and March 2021. Furthermore, grants funded by the City program, using direct federal funding, would cover up to 100 percent of rent for six months starting in April 2021. The existence of the State and City rental assistance programs, which cover up to 80 percent and 100 percent, respectively, of unpaid rent for households making up to 80 percent of Area Median Income (AMI), may disincentivize landlords to accept grants funded by the COVID-19 Rent Resolution and Relief Fund based on the existing restrictions on financial assistance. The proposed ordinance would eliminate restrictions on financial assistance and add eligibility criteria for tenants to align with the City program, using direct federal funding.

RECOMMENDATIONS

1. Approve File 22-0211, as amended by the Department, for a total not to exceed amount of \$40,550,000 for three grant agreements with Catholic Charities, Eviction Defense Collaborative, and Mission Neighborhood Centers.
2. Approval of File 21-0761 is a policy matter for the Board of Supervisors.



Mayor's Office of Housing & Community Development

San Francisco's Emergency Rental Assistance Program

March 23, 2022

CITY AND COUNTY OF
SAN FRANCISCO

MAYOR LONDON N. BREED

Committee Actions

7. Ordinance to Amend the Admin Code

- Revise the COVID-19 Rent Resolutions and Relief Fund
- Direct assistance to low-income tenants
- Grants to nonprofit CBOs to administer funds

8. Resolution to deploy funds

- Authorizes MOHCD to enter into grant agreements
- Grants to nonprofit CBOs to administer emergency rental assistance funds



SF Emergency Rental Assistance Program (ERAP)

Program Structure

- COVID-19 Legal Protections
- COVID-19 Emergency Rental Assistance
 - State Program
 - Local Program

Program Eligibility

- Annual household income at or below 80% Area Median Income (AMI)
- Experienced financial hardship during the pandemic (March 2020 – present)
- At risk of homelessness or housing instability



State Program

CA COVID-19 Rent Relief Program

- **18,500 applications submitted** since March 2021
- **9,230 households have received \$106M**
- All eligible tenant applications submitted by March 31 deadline will receive up to 18 months of assistance (per SB 115)
- Extensive outreach campaign



Local Program

SF Emergency Rental Assistance Program (ERAP)

- **3,000 households have received \$21M**
- Application period opened June 2021 and closed September 2021
- Application period to reopen when state program application period closes: April 1
- **SF ERAP is a safety net for the state program**
 - Tenants who need help covering post-April 2022 rent
 - Vulnerable tenants for whom state program's barriers are too high
 - Tenants in eviction court



Landscape of COVID-19 Tenant Protections

- **AB 832 “recovery period” expires April 1**
 - Courts will resume issuing eviction lawsuits and ordering lockouts, regardless of the status of rent relief applications
- **Local Ordinance No. 34-22 goes into effect April 1**
 - Nonpayment eviction moratorium for rent that comes due on or after 4/1 during the local state of emergency
 - No late fees, penalties or similar charges



SF ERAP Program

Program Design

- Low-Barrier
- Community-Based
- Culturally Responsive
- Practitioner-Informed
- Leverages Tenant Right to Counsel

Program Outcomes

- Stabilize households
- Stabilize communities
- Prevent foreclosures
- Accelerate recovery



- [Emergency Rental Assistance](#)
- [Eviction Protections](#)
- [Other Resources for Tenants and Landlords](#)



BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Eric D. Shaw, Director, Mayor's Office of Housing and Community Development
Christina Varner, Acting Executive Director, Rent Board

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: March 16, 2022

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Preston on March 8, 2022:

File No. 210761-2

Ordinance amending the Administrative Code to revise the COVID-19 Rent Resolutions and Relief Fund to allow for direct assistance to low-income tenants (in addition to existing authority to provide direct assistance to their landlords), allow for grants to nonprofit, community based organizations to administer rent relief from the Fund, and remove certain restrictions on the provision of rent relief from the Fund, while authorizing the Mayor's Office of Housing and Community Development to develop rules governing such rent relief; and to extend the use of the Fund for COVID-19 related purposes from March 31, 2023, to June 30, 2023.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: erica.major@sfgov.org.

cc: Eugene Flannery, Mayor's Office of Housing and Community Development

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Eric D. Shaw, Director, Mayor's Office of Housing and Community Development
Robert Collins, Executive Director, Rent Board

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: July 6, 2021

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Preston on June 29, 2021:

File No. 210761

Ordinance amending the Administrative Code to modify the rules for the COVID-19 Rent Resolution Fund to 1) permit a landlord to obtain grant funds from the Fund to cover the rent for any month where the tenant could not pay due to COVID-19; 2) delete the monthly limits on the grant amounts a landlord may obtain from the Fund; 3) delete the rule that a landlord may not receive grant funds without releasing the tenant from the obligation to pay any remaining rent due; 4) provide that grant funds may be awarded only if the tenant's gross household income does not exceed 80% of area median income; 5) require the Mayor's Office of Housing and Community Development to prioritize grants made on behalf of tenants facing eviction, while removing the priority for small landlords; and 6) permit grants directly to tenants, in addition to landlords.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: erica.major@sfgov.org.

cc: Eugene Flannery, Mayor's Office of Housing and Community Development

President, District 10
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-6516
Fax No. 554-7674
TDD/TTY No. 544-6546

Shamann Walton

PRESIDENTIAL ACTION

Date: 3/17/2022

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,
Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. _____

(Primary Sponsor)

Title. _____

Transferring (Board Rule No 3.3)

File No. _____

210761

Preston

(Primary Sponsor)

Title. Administrative Code - COVID-19 Rent Resolutions and Relief Fund

From: Land Use & Transportation

Committee

To: Budget & Finance

Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: _____

Replacing Supervisor: _____

For: _____

(Date)

(Committee)

Meeting

Start Time: _____

End Time: _____

Temporary Assignment: Partial Full Meeting



Shamann Walton, President
Board of Supervisors

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. [210761]
- 9. Reactivate File No. []
- 10. Topic submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Supervisor Dean Preston

Subject:

Administrative Code - COVID-19 Rent Resolution and Relief Fund

The text is listed:

Ordinance amending the Administrative Code to revise the COVID-19 Rent Resolutions and Relief Fund to allow for direct assistance to low-income tenants (in addition to existing authority to provide direct assistance to their landlords), allow for grants to nonprofit, community based organizations to administer rent relief from the Fund, and remove certain restrictions on the provision of rent relief from the Fund, while authorizing the Mayor's Office of Housing and Community Development to develop rules governing such rent relief; and to extend the use of the Fund for COVID-19 related purposes from March 31, 2023 to June 30, 2023.

Signature of Sponsoring Supervisor: []