



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jacky Morales-Ferrand

**SUBJECT: EVICTION HELP CENTER AND
DIVERSION PROGRAM**

DATE: June 3, 2023

Approved

Date: 6/4/2023

BACKGROUND

City Council's approval of the Mayor's March Budget Message for Fiscal Year 2023-2024 included direction to the Administration to explore the use of one-time funding to continue rent stabilization and eviction diversion efforts in 2023-2024 and included a memorandum from Councilmember Ortiz to provide a cost estimate for extending the work of the Eviction Help Center through June 2024.

Actions will be included in the forthcoming *Recommended Amendments to the 2023-2024 Proposed Operating and Capital Budgets* Manager's Budget Addendum will recommend the rebudgeting of current year savings to extent these programs into 2023-2024.

ANALYSIS

In August 2021, the City launched an *Eviction Prevention Help Center* program (Help Center) with the initial purpose of assisting tenants and landlords get access to federal emergency rental assistance. As COVID-19 emergency rental assistance programs ended in March 2022, the Help Centers continued to be a critical lifeline to tenants on the precipice of losing their housing. The Help Center staff provide education about the eviction process and information about financial and social resources are available to residents, as well as connect tenants to walk-in legal services. In addition, the Help Center established a weekly eviction prevention clinic at the courthouse with staff on hand to provide similar services to residents involved in eviction court actions.

As COVID-19 emergency rental assistance funds dwindled, the Help Center developed and launched the *Eviction Diversion and Settlement Program* (Diversion Program). The purpose of the Diversion Program is to intervene in pending eviction court actions where unpaid rent amounts were not covered by emergency rental assistance funds, but the tenant household is able to pay rent going forward and remain stably housed. Initially, the Diversion Program used available federal emergency rental assistance funds that had to be spent by September 30, 2022. As it was clear that many families were still struggling and eviction court cases were reaching

record levels, City Council approved an additional \$2.2 million in Measure E and American Rescue Plan (ARP) Act funds to continue the Diversion Program until the end of this fiscal year. These funds have kept over 150 households stably housed and the program expected is to serve 50 more households with remaining funds before the end of the fiscal year.

The Help Center efforts during the past 16+ months, including the Diversion Program, have prevented thousands of forced evictions of San José households (and self-evictions due to lack of information) by assisting residents with rent relief funds and getting tenants connected quickly to legal assistance to respond to eviction lawsuits. The deep impact to the already existing housing crisis from the pandemic has worsened the housing instability and homelessness that endured prior to 2020. Eviction prevention efforts are a powerful tool to keep thousands of residents across the City housed and prevent more families from slipping into homelessness. This fiscal year alone, staff had more than 4,500 engagements with residents by phone, email and in-person at the Help Center sites, court, and through outreach.

Funding the Help Center Program for FY 2023-2024

The Help Center program in 2022-2023 is led by the following temporary staff: 1.0 Housing Policy and Planning Administrator, 1.0 Senior Analyst, 5.0 Analysts, contractual clerical staffing, and temporary unclassified part-time positions. Using a modified staffing and organizational model, the forthcoming MBA, *Recommended Amendments to the 2023-2024 Proposed Operating and Capital Budgets*, will recommend rebudgeting remaining funding of \$450,000 to continue the Help Center through 2023-2024 to perform the services listed below:

1. Staff the Eviction Prevention helpline, email, and Help Centers.
2. Provide multilingual community outreach to community benefit organizations and vulnerable populations regarding the eviction process and where to get help.
3. Connect those at imminent risk of eviction or displacement with resources and help facilitate communication between tenants and landlords.
4. Support the walk-in and virtual legal consultation hours staffed by legal aid organizations at the Help Centers.
5. Connect severely rent burdened residents with other programs and financial resources.
6. Support the Diversion Program if rental assistance funding is secured to intervene in active eviction lawsuits.
7. Staff the Unlawful Detainer weekly collaborative court clinic launched in June 2022.
8. Plan and prepare for response to emergencies that could lead to displacement and homelessness (fire, flood, earthquake, etc.).

2023-2024 Eviction Help Center Costs

Position Classification	2023-2024 FTE	2023-2024 Cost
Development Officer (4222)	1.0	\$ 180,000
Community Activity Worker (6101)	2.0	\$ 190,000
Contractual Services (Temporary Clerical Staffing)		\$ 80,000
TOTAL	3.0	\$ 450,000

Funding the Eviction Diversion Program for FY 2023-2024

Actions included in the in the forthcoming *Recommended Amendments to the 2023-2024 Proposed Operating and Capital Budgets* MBA will provide partial funding for the continuation of the Diversion Program into 2023-2024. As discussed below, additional grant funding has been requested, but a funding commitment has not yet been received.

In order to assist at least 200 households through the Diversion Program during FY 2023-2024, the following funding components are needed:

- **Staffing** - 1.5 Analyst I/II positions and other temporary staffing will support the Diversion Program's court outreach and case management services in 2023-2024 at a cost of approximately \$356,000.¹ This staff will perform the following functions:
 1. Be present at Santa Clara Superior Court two to three times a week during the unlawful detainer (eviction) calendar.
 2. Eligibility screening of potential Diversion Program cases.
 3. Documentation gathering and application processing.
 4. Coordinating with court mediators, parties, and landlord and tenant attorneys.
 5. Responding to referrals and resident inquiries and conducting community outreach.

The Diversion Program is a homelessness prevention strategy, as the team collaborates with landlords, tenants, attorneys, and court mediators to work towards settlement and eventual dismissal of eligible tenants pending eviction cases which enables tenants to stay stably housed. As such, it is an available use of Measure E Homeless Prevention and Rental Assistance allocation. The carry-over of current year savings to fund these positions will be included in the forthcoming *Recommended Amendments to the 2023-2024 Proposed Operating and Capital Budgets* MBA

- **Rental Assistance Funds** – The Diversion Program uses up to \$10,000 in rental assistance funds to resolve pending eviction cases based on unpaid rent where the tenant will remain stably housed going forward. Staff applied for \$2.6 million in State and Federal earmark funds. If awarded, these funds would be used for the emergency rental assistance payments, but not for staffing resources. As the likelihood of the City being awarded these earmark funds is uncertain, staff is researching other possible sources of grant funds that could be used for eviction diversion and, in the interim, has identified unspent Community Development Block Grant Coronavirus Aid, Relief, and Economic Security Act (CDBG-CV) funds of \$250,000. Staff is in the process of amending the FY 2019-2020 Annual Action Plan and will include this reallocation in the forthcoming *Recommended Amendments to the 2023-2024 Proposed Operating and Capital Budgets* MBA.

¹ The Eviction Help Center's Development Officer described above would manage the Diversion program and the two Community Activity Workers would also support the Diversion program as needed.

2023-2024 Diversion Program Costs

Position Job Code and Classification Name	2023-2024 FTE	2023-2024 Cost	Eligible Funding Sources
Analyst I (1627)	1.0	\$ 147,000	General Fund (Measure E - Homeless Prevention and Rental Assistance Allocation)
Analyst I PT (1630)	0.5	\$56,000	
Temporary Staffing		\$153,000	
TOTAL	1.5	\$ 356,000*	

Rental Assistance	2023-2024 Total Cases	2023-2024 Cost	Eligible Funding Sources
Up to \$10,000 per Diversion Program Case	200 - 250 ²	\$ 2,000,000 - \$2,500,000**	State and federal earmark funding requests, ARPA, Measure E, General Fund, other grant funding sources
Up to \$10,000 per Diversion Program Case	25	\$ 250,000*	CDBG-CV

*This existing funding is scheduled to be included in the 2023-2024 Adopted Operating Budget.

**This new funding is not yet committed.

COORDINATION

This memorandum was coordinated with the City Attorney’s Office and the City Manager’s Budget Office.

/s/
JACKY MORALES-FERRAND
 Director, Housing Department

² The goal is to assist 200-250 households depending on how much rental assistance funding is secured. The staffing requests would support this goal.