

CONSENT CALENDAR
June 1, 2021

To: Members of the City Council

From: Mayor Jesse Arreguín (Author), Councilmember Hahn (Co-Sponsor), Councilmember Bartlett (Co-Sponsor), Councilmember Harrison (Co-Sponsor)

Subject: Referral to the FY 22 Budget Process: Continuing Anti-Displacement Programs

RECOMMENDATION

Refer to \$900,000 to the FY 2022 Budget Process for continued funding of the following anti-displacement programs (launched in 2017) with the proposed funding source from General Fund tax receipts from the Measure U1 gross receipts tax:

- 1) Housing Retention Program (administered by the Eviction Defense Center EDC): \$250,000
- 2) Legal Counseling, Services and Problem Solving for Extremely-Low, Very-Low, Low and Moderate Income Tenants (\$275,000 each to the East Bay Community Law Center and EDC): \$550,000
- 3) Flexible Housing Subsidies for Homelessness Prevention: \$100,000

BACKGROUND

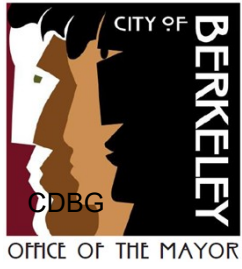
Housing Retention Program/COVID Emergency Rental Assistance

The Housing Retention Program is an essential tool in preventing tenant displacement and preserving Berkeley’s racial, economic and cultural diversity. In 1993, the City of Berkeley began the Homeless Prevention Grants Program, which in 2008 became the Housing Retention Program (HRP).

The program was reconstituted and bolstered in 2017 with an increased allocation of \$250,000 annually which was continued in the FY 2019, FY 2020 and FY 2021 budgets.

At the onset of the COVID-19 pandemic and resulting shelter in place, the City Council launched the Berkeley Relief Fund and allocated \$3 Million to initially capitalize the fund, to be split three ways between rental assistance, grants for arts non-profits and grants to small businesses. Tenant rent assistance was additionally funded \$1,000,000 to expand the Housing Retention Program during this emergency with an additional \$900,000 added as private donations came in through the East Bay Community Foundation. Approved households were eligible to receive up to \$5,000 as a one-time grant, and an additional one-time grant of up to \$10,000 during the specified COVID-19 emergency. Additional funding was provided through CBDG funding from the Federal Government. The fund has been exhausted and to date the program has helped:

Initial Funding:	\$1,018,654	173 households
EBCF private donations:	\$ 933,610	142 households



\$1,800,000 124 households (135 total, 124 unduplicated)

Total: 439 unduplicated households as of 4/29/2021

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There is currently an extensive waiting list of households that require assistance.

The pandemic has left low-income households in massive debt that has accrued over a 15-month period, with no end in sight. Additionally, funding from the Alameda County ERAP that pays overdue utility bills and wifi, will be exhausted. Utilizing Tenant Preservation Fund funds to pay these other related COVID-19 impact costs, that could lead to eviction, can help tenants retain their housing.

Legal Counseling, Services and Problem Solving for Extremely-Low, Very-Low, Low and Moderate Income Tenants

The unprecedented rental housing crisis has resulted in increased displacement and eviction of low-income residents in Berkeley. One of the priorities of the City Council is to provide services to low-income households to prevent displacement.

At the June 25, 2019 City Council Meeting, the FY 2020-21 Biennial Budget was approved, allocating \$900,000 each year for anti-displacement programs. Of this, \$550,000 will be used for eviction defense and housing counseling each year. Council initially authorized an annual funding of \$300,000 for this purpose for both the 2018 and 2019 Fiscal Years at its July 25, 2017 meeting. These funds were transferred to the Rent Board whose staff administered, monitored, and reported to Council regarding the program funding during those years.

When this item was initially considered in 2017, Council expressed interest in expanding the scope of services provided by Eviction Defense Center (EDC) and East Bay Community Law Center (EBCLC) under their existing Rent Board Contracts to provide counseling and advocacy to tenants seeking to avoid displacement by exercise of rights afforded by local law other than the Rent Ordinance. The funding provided by the Rent Board is not adequate to achieve the Council's objective of fully preventing displacement during the current housing emergency, when low and middle-income tenants are particularly vulnerable to displacement if not provided with sufficient and competent legal defense. There is also a need for additional funding to provide counseling and representation to tenants relating to city ordinances such as the Tenant Protection Ordinance and Tenant Buyout Ordinance. Both EDC and EBCLC have once again requested \$275,000 to cover this expanded scope of work to serve the broadest number of Berkeley tenants.

Flexible Housing Subsidy Pool

In June 2017, the City Council established the Flexible Housing Subsidy Pool as a new anti-displacement tool. These funds can be used for a variety of purposes, including emergency rental subsidies for people who are facing an eviction. Since the fund was established it has helped tenants with emergency funding of up to \$1,500 per incident and \$5,000 maximum per household in grants. The continuation of this pool of funds will help those tenant that have a need for emergency help to keep them from losing their home.

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FINANCIAL IMPLICATIONS

Total allocation of \$900,000 from General Fund revenues. It is projected that at least \$6 Million in General Fund tax revenues will be coming from the Measure U1 gross receipts tax on rental property. Since 2017, the City has funded these three programs out of Measure U1 tax receipts, and it is recommended that the Council continue this funding for another fiscal year.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

CONTACT

Mayor Jesse Arreguín 510-981-7100