



April 21, 2020

Dear Local Elected Official,

The COVID-19 pandemic reveals how critical safe, stable, homes are to our communities' ability to get and stay healthy. We live in interconnected communities, where each person's wellness depends on everyone else, and we will weather this emergency by uniting behind policies that ensure all people have access to safe and stable housing.

The COVID-19 crisis has exacerbated our nation's existing housing crisis, even while revealing how **having a safe, stable, place to live is the foundation of recovery**. We need to ensure that no one is homeless or loses their home while the pandemic is raging, but also in what promises to be a long-term recovery from the economic impacts of this global pandemic.

As the elected officials closest to your constituents, you are no doubt being asked to take actions to address their critical housing needs.

The Non-Profit Housing Association of Northern California (NPH), All Home and East Bay Housing Organizations (EBHO) are providing critical local recommendations on immediate actions that you can take that will significantly help your constituents, whether they be tenants, homeowners, "mom and pop" landlords, and affordable housing providers, during this crisis while also ensuring stability and solvency of affordable housing for the foreseeable future. You may have taken some of these already -- and we thank you for your leadership. Other options include new ideas and opportunities to support your communities -- and we thank you for your review. We also encourage you to reach out to EBHO to further discuss these options.

Every person's health depends on one another's right now, and you have the authority to make sure all of your constituents have a safe, stable place to get and stay healthy during this pandemic. We also recognize that the state and federal governments have a role to play to ensure all your constituents are housed, which is why we are calling on you to join us in advocating for sweeping rent/debt relief and the classification of affordable housing as essential infrastructure.

We also recommend that all jurisdictions adopt eviction moratoria that go beyond the protections enacted in the Governor's executive order and [the California Judicial Council ruling](#) to address every stage of the eviction process and create clarity and consistency for both tenants and landlords. (Please see [EBHO's website](#) for an inventory of policies adopted in East Bay Jurisdictions to date.)

We also make the following additional recommendations:

Local Level Actions:

- 1. Institute a rent freeze:** A rent freeze is an emergency action that your jurisdiction can take to immediately stabilize rents throughout the jurisdiction and ensure that no one is displaced due to a rent increase during the pandemic. This rent freeze should be calibrated to exclude existing rental subsidy programs such as Housing Choice Vouchers (also known as Section 8), as those are automatically adjusted based on income even if the income is zero. This applies to jurisdictions with existing rent stabilization ordinances as well as those without, so long as the rent freeze is compliant with Costa Hawkins.
- 2. Use federal funding to provide rent relief for the neediest renters/homeowners:** Jurisdictions with populations over 400,000 and entitlement jurisdictions will receive significant funding from the federal government through the CARES Act, including the COVID Relief Fund. Some of this funding is flexible to respond to the housing needs that have arisen as a result of COVID-19. We recommend that you work with your local housing authority and/or your housing and community development department to prioritize aid for the lowest income households who can no longer afford to pay rent and mortgages due to COVID. Two funding sources of particular importance are the federally-funded Emergency Solutions Grants (ESG) and Community Development Block Grants (CDBG), which were provided with increased funding in the federal Stimulus (CARES Act) and allow for payment of back rent and rental assistance as eligible uses. This increased funding has been made available to most Bay Area Counties and many cities (all counties except Marin and Napa). Particularly, for those residents who live in affordable housing, this could provide a critical lifeline to them and also to the affordable housing organizations to ensure that their doors remain open and tenants stay stably housed. Bay Area affordable housing providers have reported at 15%-20% loss in rental income based on rent due April 1 and expect to see even steeper drops in the coming months.
- 3. Establish a rent relief fund for low-income tenants and homeowners:** Some jurisdictions have flexible funding that can be used to provide relief to low-income tenants and homeowners in this time of need. Others have access to local housing trust funds that could be tapped to provide rent and mortgage relief for low-income tenants and homeowners. We strongly encourage jurisdictions that have access to such funds to immediately tap into them to provide this desperately needed cushion for low-income

tenants and homeowners, even if it only functions to fill the gap before the emergency ESG and CDBG funds start to flow to localities. Mortgage relief for rental property owners should be coupled with a guarantee that they will not evict a tenant for non-payment of rent for the period of forbearance or relief.

4. **For larger jurisdictions where your locality has previously provided funding for affordable housing development:**
 - a. Immediately authorize the use of any operating reserves to buffer tenant non-payment of rent.
 - b. Defer all payment of 2019 residual receipts owed to the jurisdiction by affordable housing providers at the property level and allow those to be placed in a reserve for the benefit of the properties and residents. Ideally this would be a pooled reserve that an owner could use across all properties being held in your jurisdiction.
 - c. At the end of the year, if the crisis has subsided, allow the use of any unused residual receipts to forgive the past due rent owed by tenants, starting with the tenants most in need. While the criteria for this can be worked out, the jurisdiction should consider helping the tenants who do not have any form of rent subsidy first. HUD has made it clear at the federal level, that the housing authorities can work with tenants to adjust incomes for Section 8 properties.
5. **While rent relief is critical, we do not support total rent suspensions unless they are coupled with support for affordable housing providers and other rental property owners, especially those who rent units at less than fair market rate, as it may lead to the unintended loss of existing affordable housing. If your jurisdiction is considering such measures, they must be coupled with the following:**
 - a. Any type of rent suspension must be coupled with mortgage and other debt forbearance or direct payment to rental property owners to avoid financial insolvency, particularly for small “mom and pop” landlords and affordable housing providers. We cannot afford to risk the already limited supply of affordable housing that we have. As we saw in the aftermath of the 2008 Recession, many small rental housing properties were lost to foreclosure, then flipped on the speculative market resulting in significant rent increases after they were renovated. Affordable housing providers use rental income for essential services other than mortgages and debt service. They use rental income to maintain the buildings and provide on-site services to residents. If rents are suspended, they are left both financially at risk and potentially unable to provide adequate maintenance and services, exactly when they need to increase sanitation and provide more help to residents for healthcare navigation, food security, and other critical services.

We know that your jurisdiction cannot go it alone to address the full housing needs brought on by the COVID pandemic. The State can provide additional relief to tenants and homeowners impacted by COVID and we ask you to join us in asking the State immediately to:

- **Provide rent/debt relief:** Use a portion of the state's share of the CARES Stimulus (estimated to be \$9.5 billion by the Center on Budget and Policy Priorities) for rent/debt relief for low-income tenants and homeowners who can no longer afford to pay their rent or mortgages due to COVID, both to help keep people in their homes and preserve the viability of affordable housing. And continue to advocate that a portion of future stimulus money that the state receives from the federal government be used for rent/debt relief.
- **Prioritize a Flexible Housing Fund for Acquisition/Rehab:** Enable non-profits to quickly acquire hotels/motels being used for emergency response post-pandemic or other multi-family housing that is available for purchase. Couple that with meaningful Medi-Cal reform that enables funding to be used for helping to house and stabilize homeless people.
- **Negotiate with lenders:** Negotiate with lenders deferral/forbearance on mortgage and other debt payments for multi-family affordable properties and create a rent forgiveness fund.
- **Redirect funds to cover operating deficits:** Ask Governor Newsom to issue an executive order that allows for affordable housing owners to use operating reserves and residual receipts to cover operating deficits.
- **Increase funding for Homelessness Prevention, Diversion including housing problem-solving, and Rapid Rehousing.**

Federal Level Advocacy

The scale of the pandemic calls for federal investment at a scale rarely seen in US history. With tens of millions of jobless claims already filed and more expected, it is critical that the federal government shore up our low-income renters and homeowners and put people back to work. **To that end we at EBHO ask you to [sign onto a statement](#) that NPH and All Home authored and are working with organizations across the state to call on the federal government to provide sweeping rent and mortgage relief and to classify affordable housing as essential infrastructure.**

Elected officials must act with the urgency and resources that will ensure that all of our neighbors, no matter their income, race, immigration status, have a place to get and stay healthy. This health and economic crisis underscores how foundational housing is to the health, equity, and economic success of all Americans and our nation, and exposes the need for Congressional action immediately and ahead. We can no longer tolerate systems and status quo that perpetuates the "haves" and the "have nots," the housed and unhoused. Our goal

should not be to put things back to the way things were, but to build the just and sustainable communities we always deserved.

Production, Preservation and Protection Must Remain Top Priorities

While this letter focuses on immediate relief and actions to ensure that your constituents remain safely and stably housed, it cannot go unsaid that housing scarcity, tenant instability, and low rates of housing production in the Bay Area were crisis-problems *before* the pandemic and will be no less pressing as we exit the health crisis. Thus, as your attention is necessarily focused on immediate relief, it is critical that housing production remain top of mind and top of our priority lists, along with strategies to protect people in their homes and preserve healthy and affordable housing. In addition to providing the housing units we need, housing production and preservation can be economic engines and job creators, helping to fuel our economic recovery.

We need significant political commitment and urgent action to end homelessness and to address the lack of affordable housing in California and our country. Every person deserves a stable place to live, be safe, and thrive in health and well-being. We invite you to join us and help make it happen.

Sincerely,

Amie Fishman
Executive Director,
NPH

Tomiquia Moss
Executive Director,
All Home

Gloria Bruce
Executive Director,
East Bay Housing
Organizations (EBHO)