



AB 3088 Stakeholder Engagement Survey

Welcome!

Thank you for participating in our survey. Your feedback is important.

This survey includes five sections. You may skip any question.

For further details, please review the Summary Tables of the Proposed HEROES Act 2.0 Housing Programs included in Appendix 1.

The survey will be live until October 30, 2020 at 5:00 pm PDT.

Please email any questions to housing@bcsh.ca.gov.



AB 3088 Stakeholder Engagement Survey

*** 1. Please provide your contact information.**

Name

Email

Phone

Zip

2. If you are representing an organization, please provide the name of your organization below.

3. Please select all that apply to you.

- Homeowner
- Affordable Housing Developer/Provider
- Landlord
- Person Experiencing Homelessness
- Tenant
- Legislator/Legislative Staff
- Local Jurisdiction (City, County, Judiciary)
- State Agency Staff
- Financial Institution/Advisor
- Other (please specify)



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Section 1: HEROES Act 2.0 - Housing and Urban Development (HUD) Administered Housing Programs

Background: As of October 2020, Congress and the White House have been negotiating a new stimulus bill. While it is not clear when a deal will be reached, for the purpose of this process, the California Business, Consumer Services and Housing Agency (BCSH) will be using the framework of the HEROES Act 2.0, proposed by House Democrats, to solicit stakeholder input on how California can best allocate direct flexible funds to support housing stabilization goals. The first section of this survey covers the housing programs included in HEROES Act 2.0 that are defined and administered by the Department of Housing and Urban Development (HUD). Allocations only include the State portion; this survey does not cover the allocations to Entitlement Jurisdictions. The HEROES programs are one-time funds and are distinct from the Emergency Solutions Grant (ESG) and Community Development Block Grant (CDBG).

Key Definitions:

- **[HEROES Act 2.0:](#)** The Health and Economic Recovery Omnibus Emergency Solutions Act (House Resolution 6800). \$2.2 Trillion, most recent version released September 28, 2020 by House Democrats.
- **[CARES Act:](#)** The Coronavirus Aid, Relief and Economic Security Act (House Resolution 748). \$1.8 Trillion, Passed March 18, 2020.
- **[Entitlement Jurisdictions:](#)** Urban cities and counties that receive funding directly from the HUD. Entitlement jurisdictions typically have more than 50,000 residents for cities and 200,000 residents for counties, and manage all of their program planning and reporting directly with HUD.
- **[Non-Entitlement Jurisdictions:](#)** Rural cities and counties that receive HUD funds from the State allocation. Non-entitlement jurisdictions are generally smaller, and the State is responsible for managing the planning and reporting requirements from HUD.

4. Please rank from each of the following priorities for federal stimulus funding from the highest to lowest (1 being the highest priority) based on the current unmet need resulting from the COVID-19 emergency. Please add up to three additional priorities if needed.



Assisting persons experiencing homelessness with high risk of COVID-19 exposure



Rehousing assistance to support people to exit homelessness successfully, including short- to medium-term rental assistance



Economic development



Assistance for low- and moderate-income tenants and landlords



Mortgage assistance for impacted homeowners

5. Please highlight any other priorities you feel the State should consider.

ESG Emergency Rental Assistance (\$3.16 Billion)

ESG Emergency Rental Assistance provides short- and medium-term rental assistance to low- and moderate-income households impacted by COVID-19 to cover rents, utilities, arrears, late fees, and security deposits. This program would be managed through the Emergency Solutions Grant (ESG) regulatory framework, with substantial waivers, as administered by HUD. The HEROES Act includes ESG Rental Assistance as both a direct allocation to urban entitlement areas and a state allocation, but this survey considers only the state allocation.

6. Please rank the following funding uses for ESG Emergency Rental Assistance from highest to lowest priority (1 being the highest priority). In doing so, please consider current need resulting from the COVID-19 emergency and existing funding gaps. The highest priority option should be where you believe there is the most need and biggest gap in funding.



Short- or medium-term assistance with rent for rehousing people experiencing homelessness



Assistance for tenants on security and utility deposits



Assistance for tenants on unpaid utility and rent payments (up to 12 months) to prevent evictions



Assistance for tenants on rent and utility late fees for tenants



Tenant-paid utility costs

7. Please highlight other uses the State should consider for ESG Emergency Rental Assistance.

[Redacted area for additional funding uses]

8. Below is a list of possible methods for distributing ESG Emergency Rental Assistance funding. Given your priorities, what is your preferred method(s) for allocating funding?

- State contracts directly with local agencies and organizations
- State provides services directly to Californians
- State provides funding to cities and counties
- State provides some funding to cities and counties and reserves some funding for direct assistance contracts with service providers
- Other (please specify)

9. Please explain why you chose the allocation method(s) above.

Emergency Solutions Grant (ESG HEROES) (\$316 Million)

[ESG HEROES](#) provides funding for persons experiencing homelessness, focusing on rapid re-housing, shelter operations, homelessness outreach, data reporting through the Homelessness Management Information System (HMIS), and homelessness prevention for persons at immediate risk of homelessness. This program is managed through the ESG regulatory framework, with minor waivers, as administered by HUD. ESG HEROES is proposed to be provided as both a direct allocation to urban entitlement areas and a state allocation, but this survey considers only the state allocation.

10. Please rank the following funding uses for ESG HEROES from highest to lowest priority. In doing so, please consider current need resulting from the COVID-19 emergency and existing funding gaps. The highest priority option should be where you believe there is the most need and biggest gap in funding.



Emergency Shelter



Homelessness Prevention



Rapid Rehousing



Street Outreach



Homeless Management Information System (HMIS)



Training on Infectious disease prevention and mitigation



Hazard Pay



Hotel/Motel Vouchers

11. Please highlight other uses the State should consider for ESG HEROES.

[Empty text box for additional funding uses]

12. Below is a list of possible methods for distributing ESG HEROES funding. Given your priorities, what is your preferred method(s) for allocating funding?

- State provides funding directly to the Continuums of Care and/or their Administrative Entities to provide services to persons experiencing homelessness
- Other (please specify)

13. Please explain why you chose the allocation method(s) above.

Homeowner Assistance Fund (\$2.5 Billion)

The [Homeowner Assistance Fund](#) provides funding to State housing finance agencies to prevent homeowner mortgage defaults, foreclosures, and displacement of families facing hardship due to COVID-19. Funds can be used for mortgage assistance, taxes, insurance, utilities, Homeowners Association fees, as well as eviction and foreclosure prevention. Funds are provided from the U.S. Treasury and managed through State Housing Finance Agencies per statewide plans. Funds will only be provided to state agencies.

14. Please rank the following funding uses for Homeowner Assistance Fund from highest to lowest priority. In doing so, please consider current need resulting from the COVID-19 emergency and existing funding gaps. The highest priority option should be where you believe there is the most need and biggest gap in funding.



Mortgage assistance (including reinstatement and rate and/or principle reduction)



Taxes, Insurance, and HOA fee assistance



Utility fee assistance (gas, water, electric, and internet)





Foreclosure and eviction prevention for homeowners


15. Please highlight other uses the State should consider for the Homeowner Assistance Fund.

Community Development Block Grant (CDBG HEROES) (\$151 Million)

[CDBG HEROES](#) provides funding for a wide range of activities intended to prepare, prevent, and respond to COVID-19, including public services, economic development, and public facility and infrastructure improvements. Funds can be used for short term rental assistance and to support persons experiencing homelessness. This program is managed through the Community Development Block Grant (CDBG) regulatory framework, with minor waivers, as administered by HUD. This survey considers funds provided only in the state allocation, and does not include urban entitlement jurisdiction resources.



16. Please rank the following funding uses for CDBG HEROES from highest to lowest priority. In doing so, please consider current need resulting from the COVID-19 emergency and existing funding gaps. The highest priority option should be where you believe there is the most need and biggest gap in funding.



Public Services

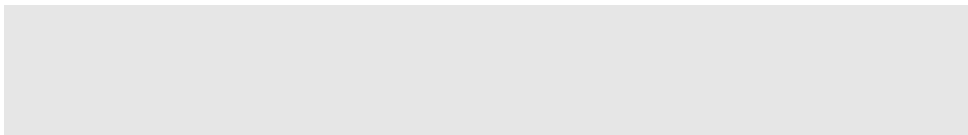


Economic Development



Public Facilities and Infrastructure

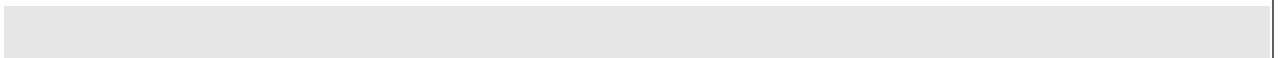


Housing Assistance (including short-term rental assistance)

17. Please highlight other uses the State should consider for CDBG HEROES.

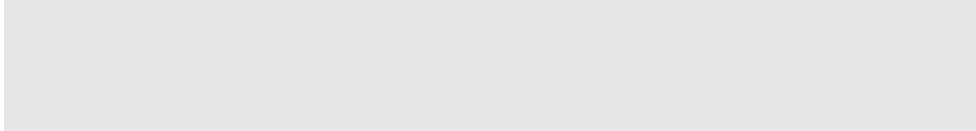


18. Below is a list of possible methods for distributing CDBG HEROES funding. Given your priorities, what is your preferred method(s) for allocating funding?

- State contracts directly with local agencies and organizations
- State provides funding to cities and counties
- Other (please specify)



19. Please explain why you chose the allocation method(s) above.





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Section 2: HEROES Act 2.0 - Coronavirus Relief Fund

Background: The HEROES Act 2.0 includes Coronavirus Relief Fund (CRF) as a direct allocation to the States for purposes related to response, mitigation, or replacement of revenues stemming from the effects of the COVID-19 pandemic. For the purpose of the AB 3088 stakeholder engagement, Department of Finance is estimating several billion may be available in CRF for housing-related purposes.

Key Definitions:

- **Homekey:** Administered through the Department of Housing and Community Development (HCD). Grant funding is available to local public entities, including cities, counties, or other local public entities, including housing authorities or federally recognized tribal governments within California to purchase and rehabilitate housing, including hotels, motels, vacant apartment buildings, and other buildings and convert them into interim or permanent, long-term housing.
- **Project Roomkey:** The goal of this effort is to provide non-congregate shelter options for people experiencing homelessness, to protect human life, and minimize strain on health care system capacity. The majority of Project Roomkey expenditures are federally reimbursable under FEMA, for both hotel/motel room occupancy agreements and operating services, at 75 percent federal share of cost.

Coronavirus Relief Fund (CRF) (Several Billion)

CRF is a one-time direct allocation from the Federal Treasury to the States for purposes related to response, mitigation, or replacement of revenues stemming from the effects of the COVID-19 pandemic with an anticipated 12-month expenditure period. CRF will be used to assist those most heavily impacted by COVID-19.

20. Below is a list of goals the State has identified for CRF use. Please rank the following goals from highest to lowest priority, in terms of where you believe there is the most need:



Ensure Californians achieve and maintain stable housing



Preserve and produce housing for Californians



Strengthen California's homelessness crisis response and rehousing system



Develop and connect people to jobs and reactivate a more resilient economy

21. Please highlight other goals the State should consider for CRF.

Instructions: For the previous 4 goals, please answer the following questions.

Ensure Californians Achieve and Maintain Stable Housing

22. Please rank the following strategies to ensure Californians achieve and maintain stable housing.



Payment of arrears (rent and/or utilities) to help keep people housed and reduce rent-based debt carried by California households.



Direct rental assistance to vulnerable tax credit or bond-financed multifamily properties that have suffered rental shortfalls due to tenant non-payment related to Covid-19.



Fund eviction legal services for tenants who have been served with an eviction notice.

23. Please highlight other strategies to ensure Californians achieve and maintain stable housing.

[Redacted area]

Preserve and Produce Affordable Housing for Californians

24. Please rank the following strategies to preserve and produce affordable housing for Californians



Add funding to Homekey to acquire more deeply affordable properties, including interim and permanent supportive housing sites as well as innovative models such as hotel/motel conversions, Accessory Dwelling Units (ADUs) and tiny homes.



Provide funding to preserve affordability on properties with expiring covenants.

25. Please highlight other strategies to preserve and produce affordable housing for Californians.

[Redacted area]

Strengthen California's Homelessness Crisis Response and Rehousing System

26. Please rank the following strategies to strengthen California's homelessness crisis response and rehousing system.

☰
▾
Support the creation and operation of expanded supply of safe interim/sheltering options, including supporting the conversion of large congregate shelters into other models.

☰
▾
Provide resources to sustain the hotel/motel leasing operations of Project Roomkey sites.

☰
▾
Provide local jurisdictions with additional rehousing resources, including flexible rental assistance resources, to support people to exit Project Roomkey sites, other shelter or interim settings, and unsheltered homelessness.

☰
▾
Create a landlord incentive program to incentivize leasing to people exiting homelessness from Project Roomkey sites and other locations.

27. Please highlight other strategies to strengthen California's homelessness crisis response and rehousing system.

[Redacted area]

Develop and Connect People to Jobs and Reactivate a More Resilient Economy

28. Please rank the following strategies to connect people to jobs and reactivate a more resilient economy.



Provide workforce development and job quality standards grants to new housing projects in areas with high impact from COVID-19 to subsidize the development of a housing related workforce and create new jobs.



Other

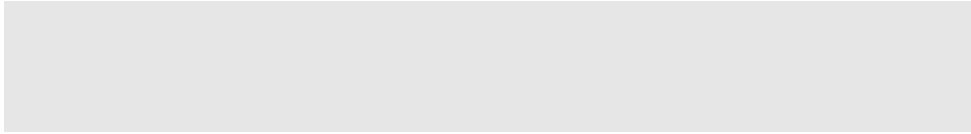
29. If you selected Other above, please specify. You can also use this space to propose additional strategies for connecting people to jobs and activating the economy.

30. Below is a list of possible methods for distributing CRF funding. Given your priorities, what is your preferred method(s) for allocating funding?

- State contracts directly with local agencies, organizations, and non-profits
- State provides services directly to Californians
- State provides funding to cities and counties
- State provides some funding to cities and counties and reserves some funding for direct assistance contracts with service providers
- Other (please specify)

31. Please explain why you chose the allocation method(s) above.

32. CRF funds will be provided on one-time basis with a rapid expenditure deadline of 12 months. Given the opportunity presented by unconstrained federal funding but acknowledging the restriction created by a tight deadline, what big and innovative ideas could this funding be used for?





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Section 3: Reaching & Assisting Impacted Groups

Background: Since the onset of the COVID-19 pandemic, loss of employment income has exacerbated challenges facing tenants in California, with a disproportionate impact on people of color. Data shows that a large number of households are still falling behind in rent and at risk of eviction if eviction moratoriums are lifted. Households occupying single family rental units and smaller multi-family buildings with four or fewer units are also at increased risk of housing instability. Individual investors are particularly vulnerable to economic instability when tenant households are unable to pay rent. An ongoing loss of rent revenue could contribute to property turnover, foreclosures, and deferred maintenance that can further destabilize tenant households and have a negative impact on economic recovery statewide. Homeowners are also at risk of housing instability due to COVID-19 impacts. About 14 percent of homeowners reported that it was very or somewhat likely they would need to leave their homes due to foreclosure in the next two months. Those numbers are expected to increase as forbearance periods lapse, especially if economic recovery lags and more and more homeowners become housing cost burdened by the additional cost in making up back-payments on their monthly mortgages.

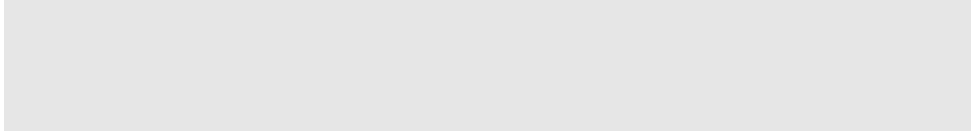
Key Definitions:

- **Low-Income Tenants:** Households that earn below 80 percent of Area Median Income, as defined by HUD.
- **Small Property Owners:** Owner of properties with four or fewer rental housing units per property, including single-family rental home

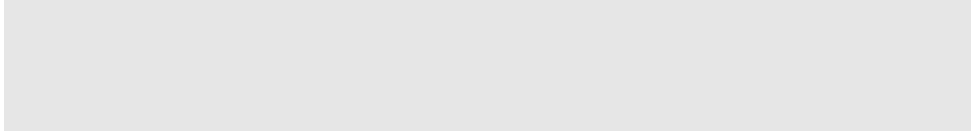
The State has identified the following three groups as experiencing direct financial hardship that could undermine housing stability and the supply of affordable housing options as a result of the COVID-19 emergency: 1) Low-income tenants, 2) Small property owners, and 3) Affordable housing providers. From your perspective, how can we best reach and assist these groups?

33. Low-income tenants:

34. Small property owners



35. Affordable housing providers





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Section 4: Access to Liquidity

Background: The CARES Act and AB 3088 included new requirements that encourage the use of forbearance, mortgage refinancing and loan restructuring to help landlords and property owners be better positioned to service their debt and either stay housed or keep tenants housed. Stakeholders in the financial industry have indicated that the short-term commitments to forbearance may have longer-term impacts on the financial sector's ability to make transactions (buying and selling of properties) as well as generate new loans for mortgages, including affordable housing developments, essentially tightening access to credit.

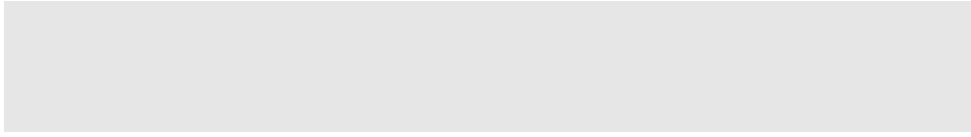
Liquidity in the market is important to the state's goals of housing market stability, household equity preservation and new construction. As part of the AB 3088 Stakeholder Engagement requirement, BCSH is tasked with exploring strategies to create access to liquidity in partnership with financial institutions or other financial assistance.

Key Definitions:

- **Forbearance:** A temporary postponement of mortgage payments. It is a form of repayment relief granted by the lender or creditor in lieu of forcing a property into foreclosure.
- **Mortgage Refinancing:** Replace your current mortgage loan with a new one.
- **Loan/Debt Restructuring:** A process used by companies to avoid the risk of default on existing debt or lower available interest rates. Individuals on the brink of insolvency also restructure their debt.
- **Market Liquidity:** A market feature whereby an individual or firm can quickly purchase or sell an asset without causing a drastic change in the asset's price.

36. What can the State be doing to help ensure the housing market and financial institutions have sufficient liquidity? Please consider regulatory and statutory changes.

37. What new sources of capital or innovation models should the State explore that could help expand access to financing for landlords, tenants and developers for housing related purposes?





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Section 5: Planning for AB 3088 Expiration

Background: On August 31, 2020 the Legislature passed and the Governor signed into law California Assembly Bill (AB) 3088, the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020. AB 3088 was passed as an urgency measure and took effect upon signature. The new law includes eviction protections that apply to all residential tenants, including mobile home tenants, regardless of immigration status. It provides eviction protection until February 1, 2021 for tenants unable to pay rent due to the financial impact of COVID-19. It also makes illegal until February 1, 2021 evictions where the landlord does not state a legally-valid reason. AB 3088 also encourages homeowners and small landlords with fewer than four properties to request forbearance from their lenders and requires those lenders to provide a detailed explanation if a forbearance request is denied. AB 3088 expires February 1, 2021, at which time all missed rent will become collectible, and the protections and obligations under this bill no longer apply.

38. If AB 3088 expires in February 2021 without additional federal funding, what policy changes could the State pursue to reduce evictions, foreclosures, and ensure the solvency of the housing market?

39. Are there particular non-budgetary areas of concern you would like to highlight?