



# Stakeholder Engagement Kick-Off Meeting (AB 3088)

October 20, 2020



# Agenda

- Welcome and Introductions
- Purpose of the Meeting
- Current State of Housing in California
- Overview of Potential Federal Funding
- Stakeholder Engagement Process
- Questions



# Presenters

- **Lourdes Castro Ramírez**

Secretary, Business, Consumer Services and Housing Agency

- **Jason Elliott**

Senior Counselor to the Governor for Housing and Homelessness

- **Irena Asmundson**

Chief Economist, California Department of Finance

- **Lynn von Koch-Liebert**

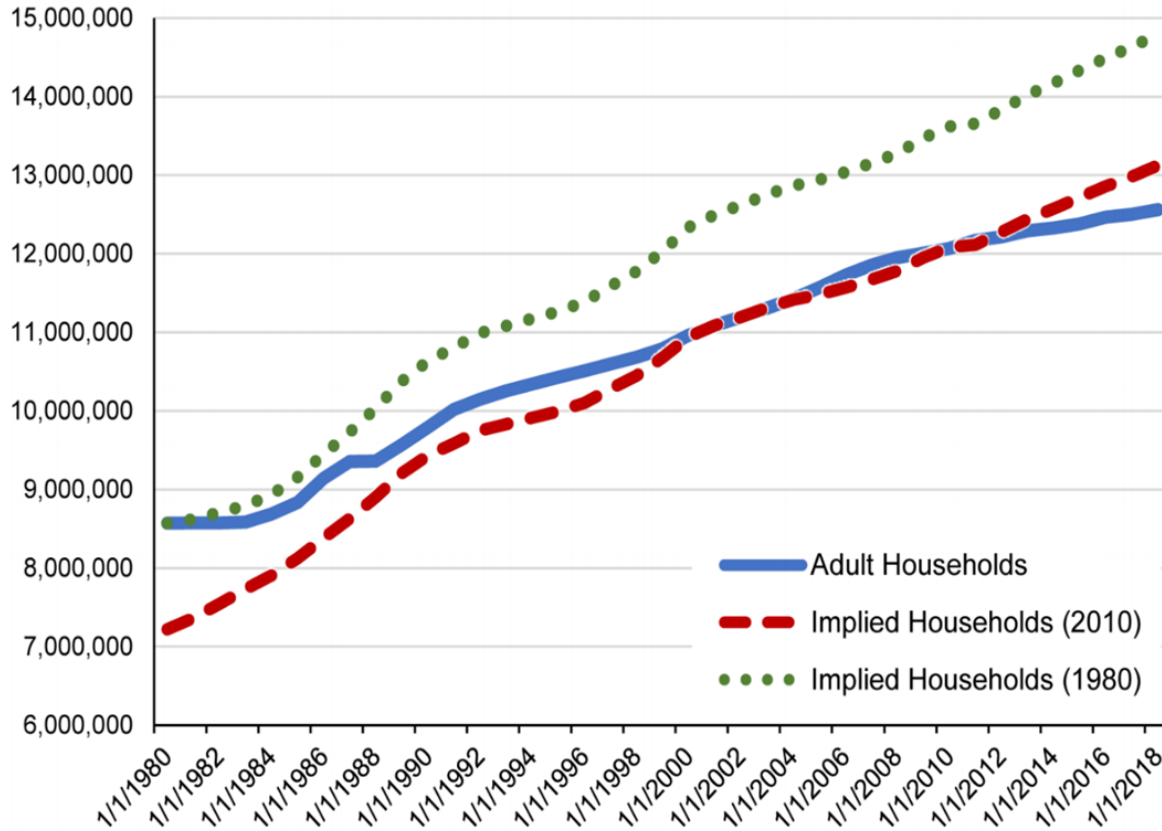
Deputy Secretary Housing, Business, Consumer Services and Housing Agency

# Purpose of Meeting

- Initiate stakeholder engagement on the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020 (AB 3088).
- Provide housing context to solicit feedback.
- Review and understand potential federal housing-related stimulus funding.
- Outline timeline and parameters of feedback solicited.

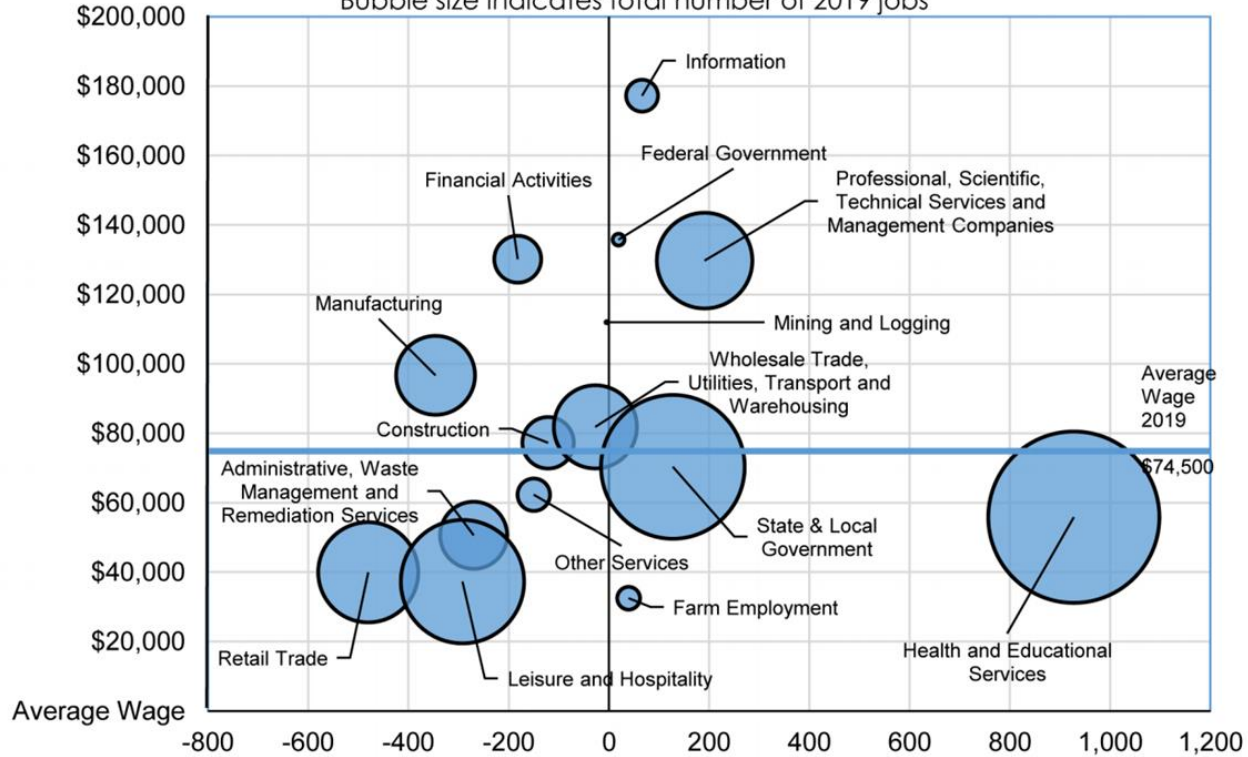


## Actual Adult Households vs. Historical Adult Housing Demand



## Change in Jobs by Sector: 2020 relative to 2007

Bubble size indicates total number of 2019 jobs



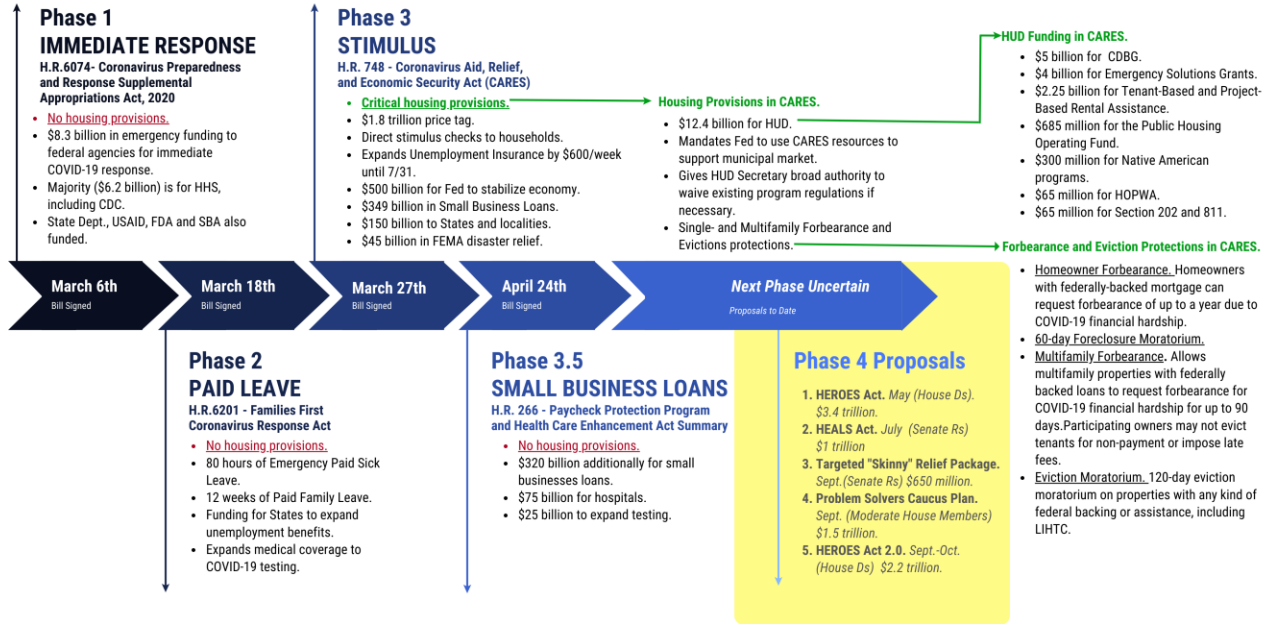
Source: CA Employment Development Department, Labor Market Information Division;  
CA Department of Finance, May Revision Forecast.

# Status of Covid-19 Congressional Legislation to Date



## COVID-19 Congressional Legislation

As of October 16th, 2020



# HEROES Act 2.0 – Housing Related Funds

| HEROES Act 2.0                          | Emergency Solutions Grant (ESG HEROES) | Community Based Development Grant (CDBG HEROES) | Emergency Solutions Grant (ESG) Rental Assistance | Homeowner Assistance Fund | Coronavirus Relief Funds (CRF)        |
|---|--|---|---|---------------------------|---------------------------------------|
| California Total                        | \$950M                                 | \$643M  | \$9.5B  | \$2.5B                    | \$52.3B                               |
| Entitlement / Direct Allocation (Local) | \$634M                                 | \$492M  | \$6.4B  | \$0                       | \$21.4B                               |
| State Allocation                        | \$316M                                 | \$151M  | \$3.1B  | \$2.5B                    | \$30.8B State / Several B for Housing |



# Process and Timeline

| Stakeholder Engagement Activity   | Date                               |
|---|------------------------------------|
| Stakeholder Kick-off Meeting  | October 20, 2020<br>10:00am PDT    |
| Survey Opens<br><a href="https://www.bcsb.ca.gov/ab3088/">https://www.bcsb.ca.gov/ab3088/</a>                         | October 20, 2020<br>10:00am PDT    |
| Survey Closes   | October 30, 2020<br>5:00pm PDT     |
| Stakeholder Debrief on Key Engagement Findings and Responses  | ~November 12, 2020<br>Time TBD PST |
| Evaluation of Federal Situation and Conduct Additional Workshops and Stakeholder Sessions as Appropriate and Feasible | TBD                                |
| Deliverable: BCSH/DOF Memo to Governor Newsom on Key Findings and Recommendations                                     | TBD                                |

# Overview of the Survey

- Using SurveyMonkey platform:
- Assume various backgrounds, experience, areas of focus
- Supporting Documents
- AB 3088 Survey Narrative
  - AB 3088 Survey
  - Appendix 1: CARES Act and HEROES Act 2.0 Funding Distribution
  - Appendix 2: Survey Pre-Look
- All located at <https://www.bcsb.ca.gov/ab3088>



# Survey Sections

1. HEROES Act 2.0 Defined Housing Related Programs – Housing Urban Development Administered
2. Coronavirus Relief Funds (Direct, Flexible Resources to the State)
3. Strategies and Approaches to Reach and Assist the Hardest Hit
4. Strategies and Approaches to Create Access to Liquidity in the Market Space
5. Planning for What-Next should AB 3088 Expire in February without Additional Federal Resources



# Section 1

## Four Questions per US Housing and Urban Development Program

1. Prioritization of eligible uses
2. Other uses

### 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.



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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   |

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


# Section 1

## Four Questions per Housing and Urban Development Program

3. Prioritization of methods of distribution / allocation


4. Explain rationale for allocation methods

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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)

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

# Section 2

## Questions for State Direct Coronavirus Relief Fund (CRF) –


1. Prioritization of State's COVID-19 Housing Framework

2. Rank, or add, strategies to achieve the State's Framework


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






- Fill critical gaps
- One-time / ~12 months expenditure
- Target most impacted by COVID
- When Possible, Long-term / Permanent Solutions

### 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. 


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





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

### Ensure Californians Achieve and Maintain Stable Housing

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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. 

## Section 3

- Calls for specific strategies for reaching and assisting: low-income tenants, small property owners and affordable housing providers.

## Section 4

- What can the state be doing to help ensure the housing market and financial institutions have sufficient liquidity?
- What new sources of capital and innovations models should be explored?

## Section 5

- If no federal funding, policy considerations for post AB 3088 expiration (February 2021)?



## Engagement Updates

<https://bcsh.ca.gov/ab3088/>

## Engagement Questions

[Housing@bcsh.ca.gov](mailto:Housing@bcsh.ca.gov)

## Landlord / Tenant / AB 3088 Information

[Housingiskey.com](https://housingiskey.com)

