



## STAFF REPORT

**Meeting Date:** March 2, 2021  
**To:** Honorable Mayor & City Council  
**From:** Helen Morales, DPA, Deputy Director of Rent Stabilization  
**Subject:** Update on COVID-19 Related Rent Subsidy  
**Attachments:** None

### INTRODUCTION

This report provides a status update of the COVID-19 related rent subsidy applications and includes information regarding the number of applications received and processed for payments.

### FISCAL IMPACT

On December 1, 2020, the City Council authorized the City Manager to enter into a contract with Jewish Family Services (JFS) to administer the rent subsidy program in an amount not to exceed \$98,527 for services and appropriated an additional \$226,307 in general funds to allow for a total rent subsidy distribution of \$1 million from all sources.

Rent Subsidy Program Funding				
Funding	Appropriated	Rent Subsidy	Fees not to exceed	Council Report
General Fund	98,527		98,527	9/15/2020 G-1
CARES reimbursement*	\$ 317,000	\$ 317,000		9/15/2020 G-1
WSSCOG (General Fund)*	171,000	171,000		11/10/2020 D-7
General Fund (Development Fees) *	285,693	285,693		11/10/2020 D-7
General Fund*		226,307		12/1/2020 E-8
Rental Assistance & Utility CDBG 2020-21**	100,935			9/15/2020 F-27
Rental & Utility Assistance CDBG-CV**	25,000			9/15/2020 F-27
PLHA for \$101,845 (General Fund)**	101,845			10/13/2020 E-4
<b>Grand Total</b>	<b>\$ 1,100,000</b>	<b>\$ 1,000,000</b>	<b>\$ 98,527</b>	
* Note: Indicates funds to be distributed by Jewish Family Services				
**Note: Indicates funds no longer being distributed as part of the rent subsidy program.				

## **DISCUSSION**

### **Background**

#### *RSO Rent Subsidy Report Update*

The application period for the Beverly Hills RSO Rent Subsidy program was open from November 16, 2020 through December 7, 2020.

The Rent Stabilization Division (RSD) received 520 applications, including 184 priority applications. Staff completed its initial review of all 520 applications. Based on this initial review approximately 40 applications have been deemed ineligible because either the tenant resides in a non-RSO unit, the tenant received the Los Angeles County Rent Relief Program subsidy, or the tenant's monthly rent amount exceeds \$4,000. Although applications continue to be reviewed by JFS, a number of tenants may not qualify for the program due to the abovementioned Rent Subsidy requirements.

Staff submitted 480 applications to JFS for review. As of February 23, 2021, JFS reviewed 176 applications and made final determinations on 91 applications, including the determination of 21 applications as eligible. Staff processed funds in the total amount of \$63,000, on behalf of the 21 applicants, to JFS for direct rent subsidy payments to landlords.

Of the 91 completed applications, JFS deemed 70 applications ineligible because they failed to demonstrate a financial impact due to COVID-19. Many applicants were on fixed incomes and had not experienced a change in income. Other applicants who had experienced a financial impact due to a layoff or reduction in business income did not experience a reduction in income because unemployment payments received from the California Employment Development Department exceeded or matched income earned prior to COVID-19.

The current rate of approved applications is 23% and the denial rate is 77%. In addition to applicants' inability to demonstrate a financial impact due to COVID-19, the approval rate is also affected by the fact that 81 applications have either been approved and received a rent subsidy or are on a pending list to receive a rent subsidy from the Los Angeles County Rent Relief Program. Applicants who receive a rent subsidy from the Los Angeles County Rent Relief Program are not eligible to receive a rent subsidy from the City.

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Below is a schedule representing the status of applications:

<b>Rent Subsidy Status Update</b>	
<b>Application Period November 16 - December 7, 2020</b>	
<b>February 23, 2021</b>	
<b>Status</b>	<b>Cases</b>
<b>Total number of applications received</b>	<b>520</b>
RSO applications determined ineligible	(40)
<b>Applications referred to JFS for eligibility determination</b>	<b>480</b>
Applications received from JFS deemed eligible	(21)
Applications received from JFS deemed ineligible	(70)
Landlord refused to comply	(23)
JFS application review in progress	(62)
<b>Total applications reviewed by JFS (subtotal)</b>	<b>176</b>
LA County subsidy eligible	(81)
<b>Pending applications with JFS</b>	<b>223</b>

\*parenthesis indicates a subtraction from the above subtotal.

#### *New Process Instituted to Expedite the Process*

Staff became concerned with the low number of completed applications from JFS and met to discuss remedies to expedite the process. Three impediments were identified as causing the delay:

1. A lack on the part of applicants to provide supporting documentation to determine priority and/or financial impacts related to COVID-19.
2. The landlord's refusal to sign the required documents for landlord eligibility.
3. Los Angeles County Verification: applicants who receive rent relief funding from the Los Angeles County Rent Relief Program are not eligible for the Beverly Hills rent subsidy; staff must coordinate efforts with the County to ensure no duplication of funds. Because Los Angeles County continues to identify new qualified applicants, staff must communicate with applicants to ensure that the County had not recently identified them as qualified under their program.

With the collaboration of JFS and the County, modifications have been made which will expedite the review process and get funds into the hands of landlords more quickly. Staff will provide a 5-day written deadline to applicants requesting additional supporting documentation prior to JFS review. In addition, JFS will reach out to landlords immediately upon commencement of review of the application to obtain the required landlord documents. Additionally, JFS placed an additional staff member on their work force to assist in processing applications.

Staff continues to collaborate with the County on their rent relief program. The County recently informed staff that they are in receipt of an additional \$160 million for their rent relief program, some of which may be allocated to Beverly Hills tenants. Staff continues to inform tenants so that they may avail themselves of these funds.

Although we recognize that delays in the rent subsidy process have occurred, the RSD is working diligently to administer the rent subsidy funds while at the same time ensuring

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that only eligible tenants receive rent subsidy funds. JFS continues to collaborate with RSD as well as the County to provide Beverly Hills constituents with the best resolution for them and their landlords during these most unprecedented times.

*Los Angeles County Rent Relief Program*

Staff continues to coordinate efforts with the Los Angeles County Rent Relief Program. Staff confirmed that the County received 337 rent subsidy applications from Beverly Hills Tenants. The County records reflect payments to 50 Beverly Hills applicants in the total amount of \$314,558.40. Payments from the County ranged from \$595 to \$10,000 per applicant. The County continues to process 248 applications and has identified 6 applicants for 2021 rental assistance.

The County has received \$160 Million and anticipates receiving an additional \$172 Million from State funds allocated through SB 91. The County has yet to confirm the requirements and is working with the State to confirm the qualifying factors.

**RECOMMENDATION**

Staff recommends that the Council receive and file the report and that the Rent Stabilization Division provide regular updates on its progress.

Ryan Gohlich, AICP  
Director of Community Development  
Approved By