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Report regarding a resolution approving Budget Amendment Number 26.042 appropriating \$235,000 in the Low- and Moderate- Income Housing Fund (Fund 241) for the City's Emergency Rental Assistance Program. (Elia Moreno, Housing Management Analyst I)

RECOMMENDATION

Staff recommends City Council adopt a resolution approving Budget Amendment Number 26.042 appropriating \$235,000 in the Low- and Moderate- Income Housing Fund (Fund 241). Specifically, the appropriation includes \$192,700 for direct rental assistance and \$42,300 for program administration.

BACKGROUND/DISCUSSION

The City of South San Francisco established its Emergency Rental Assistance (ERA) Program in 2020 as part of the City's anti-displacement and homelessness prevention strategy. Administered in partnership with the YMCA Community Resource Center, which is located at 1486 Huntington Avenue in South San Francisco, the program provides one-time rental assistance to households experiencing financial hardship.

The following program guidelines were developed as a basis of qualifications for the program:

- Must be a household within South San Francisco earning less than 80% of the Area Median Income (AMI). For a single household in 2025, that is a maximum of \$109,700 annually. For a household of four, that is \$156,650 annually.
• A household can receive up to a maximum of \$4,500 of assistance from the program. Households who have previously applied and have already met the cap amount will not qualify for assistance.
• Assistance must be used toward past due rent, security deposit, or past due utility payments.
• Residents seeking assistance must provide evidence of need of emergency rental assistance - showing a late payment notice or insufficient funds demonstrating that the tenant is experiencing financial hardship. During the application process, YMCA will collaboratively work with each household to create a plan demonstrating sustainability beyond the financial assistance.

Since February 2020, City Council has approved a total appropriation of \$1,025,000 towards direct rental assistance and \$146,500 for program administration. Council approvals and appropriations are as follows:

- February 26, 2020: Rental Assistance Appropriation: \$30,000; Program Administration Appropriation: \$0
- April 8, 2020: Rental Assistance Appropriation: \$220,000; Program Administration Appropriation: \$22,000
- June 24, 2020: Rental Assistance Appropriation: \$250,000; Program Administration Appropriation: \$37,500
- July 27, 2022: Rental Assistance Appropriation: \$250,000; Program Administration Appropriation: \$37,500
- January 10, 2024: Rental Assistance Appropriation: \$125,00; Program Administration Appropriation: \$22,500
- January 22, 2025: Rental Assistance Appropriation: \$150,000; Program Administration Appropriation: \$27,000

Since 2020, the total approved appropriations towards the Emergency Rental Assistance Programs have served 323 households with an average request of \$3,080.75 in assistance per household. A total number of 905 individuals were assisted, with 362 individuals under the age of 18. A breakdown of the demographics of households assisted are as follows:

<i>Race/Ethnicity</i>	<i>Percentage of Households Served</i>
Latinx	60.4%
White	16.4%
African American	9.9%
Asian	6.2%
Native American	1.9%
Hawaiian/ Pacific Islander	1.2%
Two or More Races	0.9%
Other/ Undisclosed	3.1%

<i>District</i>	<i>Percentage of Households Served</i>
District 1	20.4%
District 2	5.9%
District 3	17.3%
District 4	10.0%
District 5	46.4%

YMCA Administration

The YMCA has been the County-selected Core Service Agency providing safety net services to residents of

South San Francisco, Brisbane, and San Bruno in need of food, emergency housing assistance, emergency utility assistance, shelter, and other basic needs. As the Core Service Agency, the YMCA is the first point of contact for South San Francisco residents experiencing housing or financial insecurity, making it a natural fit to administer this City-funded safety-net program.

With Council approval in 2024, the administrative reimbursement rate increased from 15% to 18% to more accurately reflect YMCA's staff time and program responsibilities. YMCA has shared that it has taken more administrative time to manage the program. Upon making the initial contact with a client, a YMCA case manager reviews the client's application, assists with applicable translation/interpretation, contacts the landlord, coordinates required documentation, and submits a payment request and application for final approval from the City.

As residents continue to seek rental assistance, the YMCA has experienced rising operational costs to maintain a wide range of services it provides to the community. City funding helps offset a small portion of these operational costs and helps the YMCA secure the resources needed to process applications and provide direct support to residents. The proposed administrative allocation of \$42,300 represents approximately 4% of the YMCA of South San Francisco's operating budget.

YMCA's operating costs include employee salaries and wages, benefits, program supplies, insurance, and general administrative expenses essential for delivering safety-net services to the community. These costs also cover the purchase of items such as diapers, pantry food, and other materials that support residents' needs. While assisting residents with rental assistance applications, case managers also assess additional household needs, and for urgent cases, these materials can be provided directly to the applicants.

The YMCA may also incur additional, unanticipated administrative costs when specialized case management or language assistance is needed for residents. For example, the YMCA has been unable to fund a full-time Cantonese-speaking case manager. When Cantonese language support is needed to assist an applicant, the YMCA must outsource these services, resulting in increased administrative time and cost. On average, the YMCA pays approximately \$250 per day for Cantonese language support.

To ensure continued housing stability, case managers will also provide budget guidance and work with each household to create a plan of financial sustainability. Additionally, a follow-up call with each household is made six months after the initial request for emergency rental assistance to assess their current housing and economic status. YMCA case managers report needing to dedicate more time to helping monolingual clients (often non-English primary speakers) and establishing trust with landlords who are hesitant about the program. A landlord can choose to decline the supplemental rental assistance payment; therefore, building rapport with property owners is an important step.

DISCUSSION

Emergency rental assistance programs continue to play a vital role in supporting low-income renters, particularly as the City recognizes that these households remain highly vulnerable to debt, homelessness, and displacement. Rental assistance programs serve as a critical bridge for individuals and families facing financial hardships, improving housing stability during periods of unexpected expenses or economic loss. The new budget appropriation under consideration will provide financial relief and help lower-income South San Francisco renters, helping them avoid eviction and attempt to maintain housing during times of economic uncertainty.

With the assistance of YMCA staff, the City conducted follow-up outreach to applications received between November 2024 through April 2025 to assess the housing status of program participants. During this period, 23

households participated in the program. Of the 23 participants, YMCA was able to get in contact with 17 of the applicants. YMCA was able to successfully reach 17 of these participants, and among those contacted, 15 reported that they continue to reside in South San Francisco. However, five applicants reported facing ongoing housing insecurity, and two applicants reported being currently unhoused. Since its inception, the ERA program has proven to be one of the City's most effective homelessness-prevention tools, yet, despite clear successes, residents continue to face ongoing economic challenges and the demand for rental assistance continues to increase.

Staff anticipates the continuing need for this program in the community. Aside from the continuing rise in cost of living, applicants are inclined to apply for emergency rental assistance because of a loss of income, or an unexpected expense. The YMCA collects the necessary data to ensure all requirements are met, including collecting information on the cause of the applicant's financial hardship. Of the 323 applicants served, 75% of applicants experienced a loss of income within the household. Examples include losing their job, funeral-related expenses, and changes to the number of household earners through divorce or a roommate moving out. The percentage does not account for applicants who are experiencing sudden emergencies or unexpected expenses, such as one-time major medical expenses due to injury.

When applicable, YMCA and City staff are also referring households to free legal aid services, especially in the event of a landlord threatening to evict the tenant. According to a study from the Stanford Community Law Clinic, San Mateo County experienced a 60% increase in evictions between 2019 and 2025. Data further shows that with the support of emergency rental assistance programs, 88% of tenants are able to avoid eviction after receiving assistance. Continued support of the City's ERA program will allow South San Francisco to provide comprehensive support to households navigating a variety of challenges.

Rental assistance programs are especially crucial for vulnerable residents in our community, including seniors, individuals with disabilities, and families with young children, including single-parent households. The Emergency Rental Assistance Program offers a safety net that directly protects these groups from housing instability and homelessness. If program funds are no longer available or oversubscribed, applicants seeking emergency rental assistance have a higher likelihood of being denied. The YMCA continues to see a high demand for aid, and without City support, demand will likely overtake available resources, leaving eligible applicants without critical support.

FISCAL IMPACT

Approval of Budget Amendment Number 26.042 will appropriate \$235,000 from Fund 241, which includes \$192,700 for rental assistance and \$42,300 for administrative costs. The unencumbered cash balance of Fund 241 as of November 24, 2025, is \$1,404,813. Fund 241 received roughly \$212,486 in annual income, providing a fairly stable and reliable source of funding for this program. Fund 241 currently has an excess surplus of \$234,191 that must be encumbered by June 30, 2026, which is the reason for the slightly higher than usual appropriation for the ERA program. Staff estimates this funding appropriation, given current program utilization rates, will last approximately 14 months. This appropriation will have no impact on the General Fund.

CONCLUSION

Staff recommends City Council adopt a Resolution approving Budget Amendment Number 26.042 appropriating \$235,000 in Fund 241 for the City's Emergency Rental Assistance Program. The appropriation includes \$192,700 for rental assistance and \$42,300 for program administration.