



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: November 17, 2020

Subject: Consider Community Development Block Grant-Coronavirus 3 Recommendations for Rental Assistance and Tenant/Landlord Counseling and Legal Services

RECOMMENDATION(S):

1. CONSIDER staff recommendations for the allocation of Community Development Block Grant-Coronavirus 3 (CDBG-CV3) funds.
2. APPROVE a Substantial Amendment to the County's FY 2019/20 CDBG Annual Action Plan to allocate an additional \$4,292,960 in CDBG-CV3 funds under the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, to the following:
 - a. \$3,200,000 to Shelter, Inc., for an emergency rental assistance program.
 - b. \$600,000 to ECHO Housing for tenant/landlord counseling and related legal services.
 - c. \$492,960 to the County's Department and Conservation and Development for general program administration.
3. AUTHORIZE the DCD Director, or designee, to execute any necessary program certifications and applications required by the U.S. Department of Housing and Urban Development (HUD).
4. AUTHORIZE the DCD Director, or designee, to execute CDBG-CV3 program agreements with Shelter, Inc. and ECHO Housing in the amounts and for the services described in the Substantial Amendment.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **11/17/2020** ☐ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: November 17, 2020

Contact: Gabriel Lemus,
925-674-7882

David Twa, County Administrator and Clerk of the Board of
Supervisors

By: , Deputy

cc:

FISCAL IMPACT:

There is no General Fund impact. All funds are provided to Contra Costa County on a formula basis through the U.S. Department of Housing and Urban Development.

CATALOG OF FEDERAL DOMESTIC ASSISTANCE CDBG - 14.218

BACKGROUND:

I. The CARES Act and Community Development Block Grant Program-Coronavirus 3 Funds (CDBG-CV3)

On September 11, 2020, the U.S. Department of Housing and Urban Development (HUD) announced and allocated an additional \$1.988 billion in CARES Act funding to eligible CDBG grantees. Contra Costa County, as a CDBG grantee, was awarded an additional \$4,292,960 in CDBG-Coronavirus funds, known as CDBG-CV3. CDBG-CV3 funds may be used to prevent, prepare for, and/or respond to the COVID-19 epidemic and its impacts. HUD has targeted CDBG-CV3 funds towards jurisdictions with households facing higher risk of eviction and has indicated that these funds can be used to provide temporary financial assistance to meet rental obligations of low-income households that are struggling to meet their monthly rental obligations. The CDBG-CV3 funds may also be used to provide legal services in connection with tenant/landlord counseling services.

On October 20, 2020, the Board of Supervisors (Board) approved providing CDBG-CV3 funds to the following activities in the following amounts.

- **Rental Assistance Services: \$3.2 million**

- At least \$2.56 million for actual rental/utility payments to landlords/utility providers on behalf of eligible tenant households; no more than \$640,000 to support costs related to evaluating tenant applications for the service and for marketing/outreach.

- **Tenant/Landlord Counseling and related Legal Services: \$600,000**

- To fund tenant/landlord counseling and related legal services, including marketing/outreach, for eligible tenant households.

- **General Program Administration: \$492,960**

- For general program administration to support the planning, implementation, and management of the CDBG-CV Program funds.

The Board also directed staff to solicit the current CDBG-funded service providers that provide rental assistance services and tenant/landlord counseling and legal services to ensure that the CDBG-CV3 funded services are implemented as soon as possible given that eviction protections are slated to end on January 31, 2021. The Board also directed that marketing/outreach for these services be subcontracted to other community-based organizations in certain areas of the County to reach specific populations and neighborhoods that are severely impacted with the economic and housing instability created by the COVID-19 crisis. The Board further directed staff to provide and present a report at the November 17, 2020 Board meeting with recommendations for entities to implement the

CDBG-CV3-funded programs for emergency rental assistance and tenant/landlord counseling and related legal services.

II. Recommendation for Emergency Rental Assistance Program: Shelter, Inc.

County staff recommends allocating \$3.2 million in CDBG-CV3 funds to Shelter, Inc. to provide an emergency rental assistance program for eligible tenant households impacted by COVID-19. Shelter, Inc. is the current CDBG-funded non-profit organization that provides rental assistance to eligible low-income households. Shelter, Inc. has provided this service with CDBG or Emergency Solutions Grant (ESG) funds since 2009, and recently launched a COVID-19-specific rental assistance program with CDBG-CV1 Program funds from the County, City of Antioch, City of Concord, City of Pittsburg, and City of Walnut Creek .

Per the Board's direction, County staff solicited Shelter, Inc. about expanding its current COVID-19-specific rental assistance program with the use of CDBG-CV3 funds. Based on input from the Board, staff recommends a program that is primarily intended to provide as many households as possible with emergency rental assistance necessary to prevent eviction.

Under Assembly Bill 3088 (the COVID-19 Tenant Relief Act of 2020), a tenant cannot be evicted for unpaid rent during the period of March 1, 2020 through August 31, 2020. In addition, a tenant cannot be evicted for unpaid rent during the period of September 1, 2020 through January 31, 2021, if the tenant does both of the following:

1. The tenant must provide a declaration of COVID-19-related financial distress to the landlord within 15 days after the landlord demands payment of rent.
2. By January 31, 2021, the tenant must pay an amount equal to at least 25 percent of all rental payments due during the period of September 1, 2020 through January 31, 2021.

The purpose of the emergency rental assistance program is to have Shelter, Inc. pay rental payments directly to landlords so that tenants are protected from eviction under AB 3088. Under the program, a tenant will apply to Shelter, Inc. for rental assistance. If the tenant qualifies for rental assistance, Shelter, Inc. will pay rent owed by the tenant directly to the landlord. The amount of rent paid by Shelter, Inc. will be enough so that the entire amount paid by Shelter, Inc. and the tenant to the landlord is equal to at least 25 percent of rent due for September through January. Once this amount is paid to the landlord, the tenant will be protected from eviction under AB 3088. Under the program, Shelter, Inc. will include an additional written notice to landlords that rental assistance payments provided under the program are intended to satisfy the AB 3088 requirement that a tenant pay at least 25 percent of rental payments due for September through January.

Under the program, Shelter, Inc. would allocate \$2.56 million as direct monetary assistance to pay rent (including rent in arrears) or utility payments on behalf of eligible tenant households, and \$640,000 for costs related to evaluating tenant applications and for marketing/outreach. Shelter, Inc.'s marketing/outreach budget is \$40,000 and Shelter, Inc.

would subcontract with other non-profit organizations to provide marketing/outreach in specific areas of the County. Shelter, Inc. has reached out to various organizations serving western, central, and eastern portions of the County. Of the various organizations, three (Richmond Community Foundation, Family Justice Center, and Opportunity Junction) have engaged in conversations with Shelter, Inc. about the possibility of subcontracting with Shelter, Inc. to assist with marketing/outreach for the program. .

Specifically, the Emergency Rental Assistance Program implemented by Shelter, Inc. will include the following components:

1. The tenant household is required to apply for the assistance.
2. The tenant household must be very low/low/moderate-income (must not earn more than 80 percent of Area Median Income). The tenant must provide documentation of their income eligibility for review and verification by Shelter, Inc.
3. The tenant household must have been impacted by COVID-19. The tenant must provide documentation of the impact, which may be in the form of a declaration, for review and retention by Shelter, Inc. Examples of impacts include, but not limited to:
 - a. Loss of job because of COVID-19-related work closures.
 - b. Reduction of job hours because of COVID-19 or related public health orders.
 - c. Missed work because of a need to stay home to care for children or an elderly, disabled, or sick family member because of COVID-19 or related school closures.
 - d. Other circumstances related to the COVID-19 pandemic that have reduced the amount of money earned each month.
4. Shelter, Inc. will provide rental assistance payments directly to the landlord on behalf of the tenant household.
5. The rental assistance provided on behalf of an eligible tenant household will be determined on a case-by-case basis in a manner that prioritizes providing as many households as possible with emergency rental assistance necessary to prevent eviction. Shelter, Inc. will provide rental assistance in an amount necessary to satisfy the AB 3088 requirement that a tenant pay 25 percent of all rental payments due during the period of September 1, 2020 through January 31, 2021.
6. With each rental assistance payment, Shelter, Inc. will provide written notice to the landlord that the payment is intended to satisfy the AB 3088 requirement that a tenant pay at least 25 percent of rental payments due for September through January. The notice will indicate what months the rental assistance is covering and what percentage of the rent the assistance is paying for (e.g., “25% of Sept. 2020 rent.”). Shelter, Inc. will provide a copy of the payment and the notice to the tenant. If a landlord refuses to accept the rental assistance payment, Shelter, Inc. will request the landlord provide the reason why they are refusing payment. In these cases, Shelter, Inc. will refer the tenant to the CDBG-CV3 funded tenant/landlord counseling and legal services provider.

The four CDBG entitlement cities in the County (Antioch, Concord, Pittsburg, and Walnut Creek) are also considering allocating a portion of their CDBG-CV3 funds to Shelter, Inc. to provide rental assistance to eligible tenant households in their cities.

The County currently has an agreement with Shelter, Inc. for the implementation of an emergency rental assistance program using CDBG-CV1 funds. Staff recommends that the Board authorize an amendment to the current agreement with Shelter, Inc. to add the CDBG-CV3 funds and include the emergency rental assistance program elements described in this board order and the Substantial Agreement, and that all CDBG-CV funds be used consistent with those program elements going forward. If CDBG-CV funds remain following the cessation of tenant protections, additional funds are made available, or the tenant protections in AB 3088 are modified in a manner that necessitates revisions to the program, staff will bring the matter back before the Board. If tenant protections are extended, staff would direct Shelter, Inc. to modify the program to reflect the revised term of the protections.

III. Recommendation for Tenant/Landlord Counseling and Legal Services: ECHO Housing

County staff recommends allocating \$600,000 in CDBG-CV3 funds to ECHO Housing (ECHO) to provide tenant/landlord counseling and related legal services to income-eligible tenant households impacted by COVID-19. ECHO is the current CDBG-funded non-profit organization that provides tenant/landlord counseling and related legal services in the County. ECHO has been providing tenant/landlord services in the County with CDBG funds for many years and expanded their services to include legal services in July 2020.

County staff solicited ECHO to provide additional tenant/landlord counseling and related legal services to eligible tenant households impacted by COVID-19 with the use of CDBG-CV3 funds. Given the short time frame to find and hire attorneys to provide legal services, ECHO proposes to subcontract with Centro Legal de la Raza (Centro Legal), a non-profit organization that provides legal services to low-income tenants, including undocumented immigrant households, to provide legal representation, legal counseling/advice, and clinics. ECHO proposes to use \$540,000 for the Centro Legal subcontract. This amount would fund four to six attorneys and one to two paralegals to provide legal representation, legal counseling/advice, and legal clinics to low-income tenants impacted by COVID-19.

ECHO proposes to use \$60,000 to fund one additional paralegal or housing counselor at ECHO to perform a portion of the services. ECHO's proposal also includes \$3,000 for marketing/outreach to be conducted by both ECHO and Centro Legal (out of their \$60,000 and \$540,000 shares of the overall \$600,000 allocation). Centro Legal and ECHO will work with other local non-profit social service providers, libraries, parent engagement programs in school districts, religious institutions, social services and community centers to create and disseminate educational materials. As part of the marketing/outreach plan, Centro Legal will provide six "Know Your Rights" presentations and/or renter education workshops. The four CDBG entitlement cities in the County are also considering allocating a portion of their CDBG-CV3 funds to ECHO for tenant/landlord counseling and related legal services, with a subcontract with Centro Legal.

IV. Substantial Amendment to the County's FY 2019/20 CDBG Annual Action Plan

In order to officially allocate the CDBG-CV3 funds, a Substantial Amendment to the County's FY 2019/20 CDBG Annual Action Plan detailing the allocation for emergency rental assistance, tenant/landlord counseling and related legal services, and general program administration must be submitted to HUD.

CONSEQUENCE OF NEGATIVE ACTION:

A negative action on the recommendations and Substantial Amendment would delay the distribution of the CDBG-CV3 funds to address impacts of COVID-19 to low-income households in the County.

CHILDREN'S IMPACT STATEMENT:

CDBG Program funds typically meet one or more of the following: (1) Children Ready for and Succeeding in School; (2) Children and Youth Healthy and Preparing for Productive Adulthood; (3) Families that are Economically Self Sufficient; (4) Families that are Safe, Stable and Nurturing; and (5) Communities that are Safe and Provide a High Quality of Life for Children and Families.

CLERK'S ADDENDUM

Speakers: Luis Chacon, West Contra Costa; Attorney from De La Rasa; Patricia Aguilar, ACCE; Virginia Ramsey, Contra Costa; Richmond resident; Name Unknown; John Eckstrom, Shelter Inc.; Edith, ACCE; Christy, East Bay Coalition for a Stable Economy; Melvin Willis, ACCE, Richmond City Councilmember; Name Not Given; Roh Vasquez; Don Gilmore, Executive Director of Community Housing development Corporation; Name Unknown; Hector, Ensuring Opportunity Campaign;

ADOPTED recommendations with an understanding that to provide flexibility into the \$600,00 allocated to Tenant/Landlord Counseling and related Legal Services (2b), which include marketing and outreach, that if the planned \$40,000 outreach is insufficient it may be expanded up to \$80,000 for that purpose, the funds to come from rebalancing of that fund.