



Contra
Costa
County

To: Board of Supervisors
From: Monica Nino, County Administrator
Date: March 23, 2021

Subject: ACCEPT UPDATE ON THE EMERGENCY RENTAL ASSISTANCE PROGRAM AND DETERMINE ALLOCATIONS OF LOCAL PROGRAM FUNDS

RECOMMENDATION(S):

1. ACCEPT a follow up report on County participation in the California Emergency Rental Assistance Program (ERAP);
2. DETERMINE allocation of up to \$514,445 in Federal ERAP funding to further support the program locally; and
3. PROVIDE additional direction to staff as needed.

FISCAL IMPACT:

\$514,455; equivalent to 1.5% of the Federal direct allocation to the County of Emergency Rental Assistance Program funding authorized by the Consolidated Appropriations Act of 2021 (H.R. 133). CFDA No. 21.023

BACKGROUND:

On December 27, 2020, the federal Consolidated Appropriations Act of 2021, a \$900 billion COVID-19 relief bill, was signed into law and \$25 billion was allocated to the U.S. Treasury for the Emergency Rental Assistance Program (ERAP) to assist households that are unable

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **03/23/2021** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes: Approved Staff recommendations as presented.

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

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: March 23, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Timothy Ewell, (925)
655-2043

cc:

to pay rent or utilities due to the COVID-19 pandemic. California is slated to receive a total of \$2.6 billion of the Federal ERAP funds. Of this portion, certain cities and counties within the State with populations over 200,000 were able to apply for a direct allocation of ERAP funds from the U.S. Treasury. Contra Costa County made application for its share of these funds on January 6, 2021 and received \$34,296,331 million on January 20, 2021.

For the remainder of funds not allocated to cities and counties with populations over 200,000, the State Legislature developed a programmatic framework that eases administrative burden and most efficiently deploys these resources to those most in need statewide. On January 28, 2021 the State Senate and State Assembly passed the COVID-19 Tenant Relief Act (SB 91), which extends eviction protections through June 30, 2021 and creates a mechanism to deploy the state allocation of Federal ERAP funds to assist struggling tenants and landlords impacted by COVID-19. The State framework developed under SB 91 also builds upon the Federal eligibility requirements by further prioritizing the distribution of funds to certain impacted populations. A summary of major Federal and State eligibility requirements are outlined below:

BACKGROUND: (CONT'D)

Federal Eligibility Requirements:

- * Funds must be used to support eligible households up to 80% Area Medium Income (AMI), with a priority for those up to 50% AMI with funding focused to ensure rental arrears are addressed to stabilize households and prevent evictions.
- * 90% of funds must be used to provide financial assistance, including back and forward rent and utility payments and other housing expenses.
- * Payments should be made directly to landlords or utility companies on behalf of renters; if a landlord refuses to accept the rental assistance the assistance may be provided directly to the tenant.
- * The US Treasury is required to recapture excess funds not obligated by September 30, 2021 and will re-obligate them to jurisdictions that have meet obligation targets.
- * Programs must be established to avoid duplication of federal rental assistance benefits to households.

State Eligibility Requirements (over and above Federal Requirements):

- * The rental assistance program will provide eligible landlords with immediate relief through the payment of 80 % of their tenants' rental arrears accumulated since April 1, 2020 through March 31, 2021. Landlords, in turn, agree to accept this payment as payment in full of any unpaid rent for that period.
- * In cases where a landlord chooses not to participate, an eligible tenant may apply to the program on behalf of their landlord for 25% of their arrears that they must then use to pay the landlord. The program also allows for prospective payments of 25% of monthly rent.
- * Funds not expended by August 1, 2021 will be recaptured and reallocated within the State to ensure no state funds are returned to the U.S. Treasury.

The combination of proscribed Federal and State eligibility criteria leaves little discretion to Boards of Supervisors or City Councils to tailor ERAP funded rental assistance programs to specific, local needs. In fact, the State is conditioning receipt of state block grant allocations to eligible cities and counties on adoption of the State's Rental Assistance Program (the "Conforming Program"), which follows the Federal and State eligibility criteria highlighted above. Local jurisdictions can further prioritize within the Federal and State criteria above but must implement at least the Federal and State criteria. By way of example, the following are areas that can be further prioritized in a local implementation scenario:

- * Prioritization by deeper income targeting (i.e. 30% AMI and below);
- * Prioritization by rent-burden;
- * Prioritization by qualified census tracts;
- * Prioritization by property size (i.e. small landlords vs. large landlords);

* Other related factors that the State deems to be consistent with prioritizing populations with demonstrated need;

State Options for Eligible Cities and Counties:

Following the passage of SB 91, the State developed three implementation options for eligible cities and counties to benefit from additional ERAP block grant funding from the State.

Option A: *Participate in the State's Conforming Program and direct its federal allocation through the State Program.* In this scenario, the County provides the State with the County's Federal direct ERAP allocation and the State, along with its contractor network, runs the State Conforming ERAP program on behalf of the County;

Option B: *Conform to the State's Conforming Program, self-administer its federal allocation and receive a block grant allocation (based on population size) from the State's Conforming Program.* In this scenario, the County received additional ERAP funds as a block grant from the State and runs the State Conforming Program on behalf of the State. The County must spend its State ERAP block grant amount (\$36 million) by August 1, 2021, or it will be recaptured by the State and reallocated to another County; or

Option C: *Choose not to conform to the State's Conforming Program rules, self-administer its federal allocation, acknowledge that the state will serve its population via the State's Conforming Program, and accepts responsibility for duplication of benefits checks between the two programs.* Under this scenario, the State runs the State Conforming Program within the County and the County runs a second, locally developed program within the County.

Current CDBG Funded Rental Assistance Program Separate

It is important to note that the ERAP funding and implementation options outlined above are separate and aside from the CDBG funded Rental Assistance Program discussed by the Board on November 17, 2020. At that time, the Board provided direction and authorization to staff to significantly expand the existing CDBG-funded rental assistance program utilizing \$3,200,000 of CDBG-CV3 funds.

Since the ERAP program has a deadline to spend funds by September 2021, the CDBG Rental Assistance program will be placed on hold to prioritize the use of ERAP funding first. CDBG funding can be used after September 2021, so there is no risk in losing those funds in the interim.

County Selection of Option A and Statewide Program Launch

On February 9, 2021, the Board of Supervisors selected Option A pursuant to SB 91,

allowing the State to implement the program on behalf of the County. The County was one of several large counties (i.e. those with populations over 200,000), including Butte, Los Angeles, San Mateo, Santa Cruz, San Luis Obispo, Tulare, Ventura and Yolo that opted into Option A along with all small counties (i.e. those with populations under 200,000). Subsequently, the County Administrator filed an Expression of Interest Form with the California Department of Housing and Community Development and, ultimately, executed an agreement with the State to operate the program on March 18, 2021. Authority was granted to the County Administrator to take these actions on March 2, 2021 as part of Resolution No. 2021/78.

On March 15, 2021, the Statewide rental assistance program opened to the public, including a website (housingiskey.com) and toll-free hotline (1-833-430-2122). The website includes both an English and Spanish version and the hotline is able to initially accommodate the following languages: English, Spanish, Vietnamese, Mandarin, Cantonese, Korean and Tagalog. The State has contracted with the Local Initiative Support Corporation (LISC) to assist with outreach for the program. The State's partnership with LISC includes contracts with "Local Partner Network Organizations", primarily local community-based organizations, to provide assistance to residents seeking rental and utility payment relief. In Contra Costa County, residents can dial 1-833-687-0967 to make an appointment with a Local Partner Network Organization, or reach out directly to the following:

1. Community Housing Development Corporation of North Richmond - (510) 215-2515
2. Northern California Land Trust - (510) 548-7878
3. Richmond Neighborhood Housing Services, Inc. dba Neighborhood Housing Services of the East Bay - (510) 334-7750
4. SHELTER, Inc. - (925) 349-0571

The County has weekly progress meetings with the State to ensure that the County's interests are being represented and share information about the program's progress.

Local Funding for Additional Program Outreach

As part of the selection of Option A, the County is able to retain 1.5% of its Federal allocation, or approximately \$514,445, for use locally in a manner consistent with the Federal program guidance governing the ERAP program. The Board directed the County Administrator's Office and the Department of Conservation and Development to work with the Raise the Roof Coalition to develop a local program that would complement the Statewide program locally. In the same discussion, County staff and the Raise the Roof Coalition were encouraged to draw from the work of the Census 2020 project, which benefitted from collaboration between government and community-based organizations.

County staff and Raise the Roof held weekly meetings to work towards development of a local program and share information regarding the roll out of the statewide program. Ultimately, County staff and Raise the Roof came to a consensus on a program to

propose to the Board to serve our residents, with a focus on complementing, not duplicating, Statewide efforts. Below is a summary of the proposed program being jointly recommended for allocation of the \$514,445 to the Board for consideration with a more comprehensive version attached for further reference:

\$313,320 - Community Outreach & Engagement
\$75,000 - Local Housing Stability Services
\$50,000 - 211 for Rental Assistance Navigation
\$20,000 - Emergent Needs
\$55,680 - Fiscal/Administrative Fee Allowance
\$514,000 Total

In addition, the County, similar to Census 2020 contracts, would advance one-half of the contract amount conditional on progress reporting. This preserves a balance of providing adequate cash flow for program operations with proper contract oversight and reporting.

Selection of Lead Agency

Should the Board choose to accept the joint proposal, staff would like direction regarding procurement of the lead agency to facilitate the project. The Raise the Roof Coalition self-identified the Richmond Community Foundation (RCF) to serve in this capacity; however, the Board may wish to direct staff to conduct a Request for Proposals (RFP) to select a lead agency. Staff requests that the Board provide direction on this issue as part of its final decision on how to move forward.

CONSEQUENCE OF NEGATIVE ACTION:

The County will not have allocated the remainder of \$514,445 towards ERAP efforts locally.

ATTACHMENTS

Emergency Rental Assistance Program, Local Program Proposal. March 2021