

RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION: A) AUTHORIZING AND DIRECTING THE COUNTY MANAGER, OR DESIGNEE(S), TO TRANSFER \$22,449,673.40 TO THE STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (“HCD”), WHICH IS NINETY-EIGHT AND A HALF PERCENT (98.5%) OF THE \$22,791,546.60 RECEIVED DIRECTLY BY THE COUNTY FROM THE UNITED STATES TREASURY DEPARTMENT AS THE COUNTY’S ALLOCATION UNDER THE CONSOLIDATED APPROPRIATIONS ACT OF 2021 (PUBLIC LAW 116-260), FOR ADMINISTRATION AND DISBURSEMENT OF EMERGENCY RENTAL ASSISTANCE ON BEHALF OF ELIGIBLE HOUSEHOLDS IN THE COUNTY IMPACTED BY COVID-19 UNDER THE STATEWIDE EMERGENCY RENTAL ASSISTANCE PROGRAM ESTABLISHED UNDER SENATE BILL 91 (“STATE ERAP”); AND B) AUTHORIZING HCD TO RETAIN ON BEHALF OF THE COUNTY \$24,529,226.48, WHICH IS THE COUNTY’S SHARE OF THE FEDERAL EMERGENCY RENTAL ASSISTANCE ALLOCATION TO THE STATE OF CALIFORNIA THAT IS RESERVED FOR AND ALLOCATED TO THE COUNTY, FOR ADMINISTRATION AND DISBURSEMENT OF EMERGENCY RENTAL ASSISTANCE ON BEHALF OF ELIGIBLE HOUSEHOLDS IN THE COUNTY UNDER THE STATE ERAP; AND C) AUTHORIZING THE COUNTY MANAGER, OR DESIGNEES(S), ACTING IN CONSULTATION WITH THE COUNTY COUNSEL, TO NEGOTIATE AND EXECUTE, ON BEHALF OF THE COUNTY, APPROPRIATE AGREEMENTS WITH THE STATE, EXECUTE OTHER FORMS AND DOCUMENTS REQUIRED BY THE STATE, AND TAKE ANY AND ALL OTHER ACTIONS NECESSARY FOR THE COUNTY TO PARTICIPATE IN THE STATE ERAP, AS IMPLEMENTED BY HCD; AND D) AUTHORIZING AND DIRECTING THE COUNTY MANAGER, OR DESIGNEE(S), ACTING IN CONSULTATION WITH THE COUNTY COUNSEL, TO NEGOTIATE AND EXECUTE, ON BEHALF OF THE COUNTY, APPROPRIATE AGREEMENTS WITH THE COUNTY’S CORE SERVICE AGENCIES, OTHER LOCAL NON-PROFIT ORGANIZATIONS AND/OR OTHER ENTITIES FOR THE PROVISION OF TECHNICAL ASSISTANCE, EDUCATION AND OUTREACH, AND OTHER SERVICES TO FACILITATE HCD’S ADMINISTRATION AND DISBURSEMENT OF EMERGENCY RENTAL ASSISTANCE ON BEHALF OF ELIGIBLE HOUSEHOLDS IN THE COUNTY UNDER THE STATE ERAP; AND E) AUTHORIZING THE DISBURSEMENT OF THE REMAINING ONE AND A HALF PERCENT (1.5%) IN FUNDS RECEIVED BY THE COUNTY AS ITS DIRECT ALLOCATION FROM THE UNITED STATES TREASURY DEPARTMENT UNDER THE CONSOLIDATED APPROPRIATIONS ACT OF 2021 (PUBLIC LAW 116-260), WHICH AMOUNT EQUALS \$341,873.20, AND/OR OTHER FUNDS AS DETERMINED BY THE COUNTY MANAGER, TO THE COUNTY’S CORE SERVICE AGENCIES, OTHER LOCAL NON-PROFIT ORGANIZATIONS AND/OR OTHER ENTITIES FOR PAYMENT OF ADMINISTRATIVE FEES TO PROVIDE TECHNICAL ASSISTANCE, EDUCATION AND OUTREACH AND OTHER SERVICES TO FACILITATE HCD’S ADMINISTRATION OF, AND DISBURSEMENT OF EMERGENCY RENTAL ASSISTANCE ON BEHALF OF ELIGIBLE HOUSEHOLDS IN THE COUNTY UNDER THE STATE ERAP

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of

California, that

WHEREAS, the Consolidated Appropriations Act of 2021 (Public Law 116-260), which was signed into law on December 27, 2020, allocates federal funds to assist in the recovery from the economic impacts of the COVID-19 pandemic, including \$25 billion for the Emergency Rental Assistance Program administered by the U.S. Treasury Department (“Federal ERAP”); and

WHEREAS, the Department of the Treasury has allocated Federal ERAP funds to each state, the District of Columbia, and the U.S. territories, based on population, and cities and counties with more than 200,000 residents, like San Mateo County, were eligible to receive a direct allocation of Federal ERAP funds; and

WHEREAS, on January 21, 2021, the County received from the federal government \$22,791,546.60 as its direct allocation of Federal ERAP funds; and

WHEREAS, all Federal ERAP funds must be expended by December 31, 2021, and further, if a recipient jurisdiction has not expended at least sixty-five percent (65%) of its Federal ERAP funds allocation by September 30, 2021, the federal government may reallocate such unexpended funds to other jurisdictions; and

WHEREAS, as enacted, the Federal ERAP allows jurisdictions to use these funds to operate rental assistance programs that meet certain program requirements; and

WHEREAS, funds from the Federal ERAP can be used to assist eligible households with (1) rent and rental arrears, (2) utilities and utility arrears, and (3) other expenses related to housing incurred, directly or indirectly, due to the COVID-19 pandemic, with priority afforded to rental arrears; and

WHEREAS, households meeting all of the following criteria are eligible for Federal ERAP assistance: (1) one or more individuals within the household qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship directly or indirectly due to the

pandemic, (2) the household can demonstrate a risk of homelessness or housing instability, and (3) household income is below eighty percent (80%) of their area median income (“AMI”); provided, however, that jurisdictions must prioritize applicants with household incomes below fifty percent (50%) of AMI or with household members who are unemployed at the time application; and

WHEREAS, on January 29, 2021, Governor Gavin Newsom signed into law Senate Bill (“SB”) 91, which took effect immediately and extends until June 30, 2021 the eviction and foreclosure protections previously established in Assembly Bill 3088 (“AB 3088”), and provides additional eviction and debt protections for qualifying tenants; and

WHEREAS, SB 91 also appropriates \$1.5 billion in Federal ERAP funds allocated to the State (i.e., Federal ERAP funds that were not directly allocated to larger jurisdictions within the State) to implement a new Statewide Emergency Rental Assistance Program (the “State ERAP”); and

WHEREAS, the State ERAP, which will be administered by the State Department of Housing and Community Development (“HCD”), adopts the same criteria for eligible expenses and eligible households as the Federal ERAP, however, the State ERAP prioritizes funds (1) first to eligible households with a household income of less than fifty percent (50%) of AMI, (2) then to communities disproportionately impacted by COVID-19 (as determined by HCD), and (3) finally, to all other eligible households with a household income less than eighty percent (80%) of AMI; and

WHEREAS, under the State ERAP, participating landlords will receive eighty percent (80%) of unpaid rent for qualifying tenants accrued from April 1, 2020 through March 31, 2021 provided that the landlords agree to (1) accept such payment as payment in full of the rental debt owed by the household for whom rental assistance is being provided for that period, (2) release any and all claims for nonpayment of rent debt owed by that household for that period; and

WHEREAS, if a landlord chooses not to participate in the State ERAP, eligible households can receive direct financial assistance equal to twenty-five percent (25%) of their unpaid rent during that period, which they can apply toward their rental debt; and

WHEREAS, this is critical because, under SB 91, so long as an eligible household pays twenty-five percent (25%) of monthly rent owed during the Covered Period, the remaining seventy-five (75%) still accrues as civil debt, but cannot be grounds for eviction; and

WHEREAS, under the State ERAP, prospective rent payments through June 30, 2021 shall be exactly 25% of an eligible household's monthly rent.

WHEREAS, as a county with a population of over 200,000 residents, the County has three options to implement the State ERAP: (1) Option A—opt to have HCD administer the County's State and Federal allocations, following the State ERAP requirements; (2) Option B—opt to accept block grant funds from the State ERAP and agree to conform the County's Federal Allocation to the State ERAP requirements; or (3) Option C—opt to accept block grant funds from the State ERAP, but do not agree to conform the County's Federal Allocation to the State ERAP requirements; and

WHEREAS, if the County selects Option B or C, sixty-five percent (65%) of block grant funds from the State ERAP must be contractually obligated by June 1, 2021, with all block grant funds fully expended by August 1, 2021, or the funds will revert back to the State; and

WHEREAS, the County must select Option A, B, or C on or before February 12, 2021; and

WHEREAS, the State has already retained a vendor, Local Initiatives Support Corporation ("LISC"), a national nonprofit community development financial institution, to administer and disburse emergency rental assistance for cities and counties that

select Option A, and the State will also be retaining a contractor to work with LISC to develop the outreach and messaging strategy for the State ERAP; and

WHEREAS, LISC's responsibilities for the State ERAP will include: (1) development and management of a central application portal that serves landlords and tenants and has mobile and multi-language capabilities; (2) creation of simplified eligibility requirements and application award scorecard that meets the federal and state requirements and policy goals; (3) establishment and activation of local partner network to support targeted client outreach and successful inflow of applications; (4) technical assistance and support/call center for applicants; (5) de-duplication of applications within system; (6) verification of applicants' eligibility and review of all required documentation; (7) fraud and privacy protections; (8) award determination and notification to applicant; (9) verification of bank account or support for opening an account if applicant does not have one; (10) transfer of rental assistance funds to selected applicants; (11) reporting to participating cities and counties; and (12) reporting on program and fund outcomes on a rolling and final basis to U.S. Treasury; and

WHEREAS, while the County has an existing emergency rental assistance program implemented through the Core Service Agencies, it appears unlikely that this existing program can handle the increased scope and scale required for administration and distribution of Federal and State ERAP funds in the County on the prescribed timelines, with rental assistance payments required to commence in early March 2021, sixty-five (65%) of State ERAP funds received must be contractually obligated by June 1, 2021, and all State ERAP funds must be spent by August 1, 2021, or they will revert back to the State; and

WHEREAS, even with deployment of additional staff and resources, the County's existing structure for providing emergency financial assistance through the Core Service Agencies would likely not have the capacity to implement a program of

this magnitude in such a short period of time, especially with the likelihood of additional changes from state or federal agencies that could make implementation more complex; and

WHEREAS, the State ERAP and the Federal ERAP have extensive reporting and verification requirements, and the County's Human Services Agency does not have the additional capacity to meet these extensive reporting requirements given staff's existing workload, which has increased significantly in the last 11 months due to COVID-19-related impacts on the agency's clients and services; and

WHEREAS, LISC is equipped with the operations, resources, networks, and experience to administer and disburse large-scale emergency rental assistance in short order and to ensure program integrity and accountability and consistent treatment of landlords, tenants, and utility providers statewide; and

WHEREAS, for these reasons, staff recommends that the Board direct the County to select Option A and authorize the County Manager, or designee(s), to take any and all actions necessary to participate in the State ERAP; and

WHEREAS, under Option A, the County's Core Service Agencies and other local non-profit organizations and agencies would still play a critical role in assisting LISC and the education and outreach contractor ultimately selected by the State by providing additional technical assistance, advertisement, education and outreach, and other services, crucial to the administration and disbursement of emergency rental assistance on behalf of eligible households in the County; and

WHEREAS, the Board desires to authorize and direct the County Manager, or designee(s), to negotiate and execute appropriate agreements with the County's Core Service Agencies, other local non-profit organizations and/or other entities for the provision of technical assistance, education and outreach, and other services to

facilitate the HCD's administration and disbursement of emergency rental assistance on behalf of eligible households in the County under the State ERAP; and

WHEREAS, the Board further desires to authorize disbursement of the remaining one and one half percent (1.5%) in Federal ERAP funds allocated to the County, which amount equals \$341,873.20, and/or other funds as determined by the County Manager, to the County's Core Service Agencies, other local non-profit organizations and/or other entities for payment of administrative fees to provide such services.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board authorizes and directs the County Manager, or designee(s), to transfer \$22,449,673.40 to HCD, which is ninety-eight and a half percent (98.5%) of the \$22,791,546.60 received directly by the County from the United States Treasury Department as the County's allocation under the Consolidated Appropriations Act of 2021 (Public Law 116-260), for administration and disbursement of emergency rental assistance on behalf of eligible households in the County impacted by COVID-19 under the State ERAP; and

BE IT FURTHER RESOLVED that the Board authorizes HCD to retain on behalf of the County \$24,529,226.48, which is the County's share of the federal emergency rental assistance allocation to the State that is reserved for and allocated to the County, for administration and disbursement of emergency rental assistance on behalf of eligible households in the County under the State ERAP; and

BE IT FURTHER RESOLVED that the Board authorizes and directs the County Manager, or designees(s), acting in consultation with the County Counsel, to negotiate and execute, on behalf of the County, appropriate agreements with the State, execute other forms and documents required by the State, and take any and all other actions

necessary for the County to participate in the State ERAP, as implemented by HCD;
and

BE IT FURTHER RESOLVED that the Board authorizes and directs the County Manager, or designee(s), acting in consultation with the County Counsel, to negotiate and execute, on behalf of the County, appropriate agreements with the County's Core Service Agencies, other local non-profit organizations and/or other entities for the provision of technical assistance, education and outreach, and other services to facilitate HCD's administration and disbursement of emergency rental assistance on behalf of eligible households in the County under the State ERAP; and

BE IT FURTHER RESOLVED that the Board authorizes and directs the disbursement of the remaining one and a half percent (1.5%) in funds received by the County as its direct allocation from the United States Treasury Department under the Consolidated Appropriations Act of 2021 (Public Law 116-260), which amount equals \$341,873.20, and/or other funds as determined by the County Manager, to the County's Core Service Agencies, other local non-profit organizations and/or other entities for payment of administrative fees to provide technical assistance, education and outreach and other services to facilitate HCD's administration and disbursement of emergency rental assistance on behalf of eligible households in the County under the State ERAP; and

BE IT FURTHER RESOLVED that the County Manager, or designees, are authorized to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

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