

**RESOLUTION NO. .**

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

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**RESOLUTION: A) MODIFYING THE ELIGIBILITY CRITERIA FOR THE SMALL RESIDENTIAL RENTAL PROPERTY OWNER ASSISTANCE PROGRAM TO POTENTIALLY REACH MORE PROPERTY OWNERS WHO HAVE LOST RESIDENTIAL RENTAL INCOME DUE TO THE COVID-19 PUBLIC HEALTH EMERGENCY; AND B) AUTHORIZING THE COUNTY MANAGER, OR DESIGNEE, TO REDIRECT ANY UNDISTRIBUTED AMOUNTS OF THE \$2,000,000 IN CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT FUNDS ALLOCATED TO THE SMALL RESIDENTIAL RENTAL PROPERTY OWNER ASSISTANCE PROGRAM TO ANOTHER PROGRAM OR PROGRAMS ESTABLISHED BY THE COUNTY OF SAN MATEO FOR THE DISTRIBUTION OF CARES ACT FUNDS THAT HAVE BEEN AUTHORIZED BY THIS BOARD**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, on March 3, 2020, pursuant to Section 101080 of the California Health and Safety Code, the San Mateo County Health Officer (the “Health Officer”) declared a local health emergency throughout the County related to novel coronavirus, known as COVID-19 (“COVID-19”), and the Board of Supervisors (the “Board”) ratified and extended this declaration of local health emergency, which remains in effect; and

**WHEREAS**, on March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency related to COVID-19 effective throughout California, which remains in effect; and

**WHEREAS**, large numbers of County residents have lost their sources of income and are struggling to pay rent due to the COVID-19 public health emergency; and

**WHEREAS**, on March 24, 2020, the Board adopted Emergency Regulation 2020-001, which placed a temporary Countywide moratorium on residential evictions for tenants impacted by COVID-19; and

**WHEREAS**, the protections of Emergency Regulation 2020-001 expired August 31, 2020; and

**WHEREAS**, on August 31, 2020, Governor Newsom signed into law Assembly Bill 3088, which protects tenants statewide from eviction for non-payment of rent due to COVID-19 financial hardship and includes some foreclosure protections for small rental property owners; and

**WHEREAS**, on September 1, 2020, the Centers for Disease Control and Prevention issued a Temporary Halt in Residential Evictions to Prevent the Further Spread of COVID-19, placing a nationwide temporary moratorium nationwide on residential evictions for non-payment of rent due to COVID-19 financial hardship; and

**WHEREAS**, the number of identified COVID-19 cases continues to grow; in fact, as of November 4, 2020, there were 950,176 confirmed positive COVID-19 cases in California and 11,564 confirmed positive COVID-19 cases in the County, as well as 161 deaths in the County, and some experts have predicted a possible spike in COVID-19 cases in the coming months; and

**WHEREAS**, many local residential rental property owners have continued to experience loss of income due to tenant non-payment resulting from COVID-19; and

**WHEREAS**, many local residential property owners rely on cashflow from their rental properties to pay mortgages and/or as necessary income; and

**WHEREAS**, the County faces a critical housing shortage and small-scale local rental property owners provide housing to many County residents, housing which is even more essential during the COVID-19 public health emergency; and

**WHEREAS**, on August 4, 2020, the Board adopted a resolution allocating \$2,000,000 in Coronavirus Aid, Relief, and Economic Security (“CARES”) Act funds to establish the San Mateo County Small Residential Rental Property Owner Assistance Program for small local rental property owners adversely impacted by the COVID-19 public health emergency (“Program”), and on September 15, 2020 approved establishment of the Program; and

**WHEREAS**, under the Program, property owners must currently meet all of the following eligibility criteria to qualify for financial assistance:

- Reside in the County and lease/rent residential rental property in the County;
- Rely on rental property income as their primary source of income;
- Own 10 or fewer rental units; and
- Have earned less than \$400,000 annual gross rental income in both 2018 and 2019; and

**WHEREAS**, in addition, under the Program, each rental unit must meet all of the following eligibility criteria to qualify for financial assistance:

- Is located in the County;
- Is currently occupied by residential renter(s) leasing/renting the unit for 30 days or more (short-term and vacation rental properties are not eligible);
- Is a unit for which the property owner can demonstrate (including, by attesting to) lost rental income due to non-payment of rent during the period of April 1, 2020 through August 31, 2020 as a result of COVID-19;
- Is located in a building and on a parcel free from code violations and unaddressed public liens; and
- Is considered “naturally affordable,” meaning that the rent for the unit is equal to or less than the 2020 HUD Fair Market Rent thresholds for San Mateo County, adjusted for unit size; and

**WHEREAS**, since the online application period for the Program opened on October 15, 2020, the Program has been undersubscribed, and many of the applications submitted have been rejected because applicants do not meet existing Program eligibility criteria; and

**WHEREAS**, to increase the pool of potentially eligible property owners, the Board desires to modify the Program's eligibility criteria to remove the following Program requirements:

- that a property owner must rely on rental property income as the property owner's **primary** source of income (i.e., that rental income constitute more than 50 percent of a property owner's income);
  - that the property owner earned less than \$400,000 annual gross rental income in both 2018 and 2019; and
  - that qualifying rental units must be "naturally affordable" (i.e., rented at or below applicable 2020 HUD Fair Market Rent levels for San Mateo County);
- and

**WHEREAS**, this Board has determined that all other eligibility criteria for property owners and rental units under the Program shall remain unchanged.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED THAT** that the Board modifies the eligibility criteria for the Small Residential Rental Property Owner Assistance Program in accordance with the terms and intent of this resolution.

**BE IT FURTHER RESOLVED** that owing to the limited timeframe for the expenditure of CARES Act funds, the Board authorizes the County Manager, or designee, to redirect any undistributed portions of the \$2,000,000 in CARES Act funds allocated to the Small Residential Rental Property Owners Assistance Program to another program or programs established by the County for the distribution of CARES Act funds that have been authorized by the Board.

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