
**STATE EMERGENCY
RENTAL ASSISTANCE
PROGRAM UNDER SB 91**

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Roadmap for Presentation

- Federal Emergency Rental Assistance Program
 - State Emergency Rental Assistance Program
 - Options for County to Implement State ERAP Locally
 - Staff's Recommendation re County's Selection of Option A to Implement State ERAP Locally
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Consolidated Appropriations Act of 2021

- Signed into law on December 27, 2020.
 - Appropriated \$25B for Federal ERAP administered by U.S. Treasury.
 - As a county with > 200,000 residents, San Mateo County was eligible to receive a direct allocation of Federal ERAP funds.
 - January 21, 2021: County received its direct allocation in the amount of \$22,791.546.60.
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Federal ERAP- Overview

- 90% of funds → eligible households for:
 - Rent and rental arrears (rental in arrears prioritized first);
 - Utilities and utility arrears; and
 - Other expenses related to housing incurred, directly or indirectly due to COVID-19
 - 10% of funds → admin costs related to keeping households stably housed during pandemic.
 - 65% of funds must be expended by **September 30, 2021**; 100% of funds must be expended by **December 31, 2021**.
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Federal ERAP – Overview Cont'd

- Eligible households:
 - ≥ 1 household members qualified for unemployment benefits or experienced reduction in household income, incurred significant costs, or experienced other financial hardship directly or indirectly due to pandemic;
 - Demonstrated risk of homelessness or housing instability; and
 - Household income $< 80\%$ of AMI.*
 - Priority to applicants with household incomes $< 50\%$ of AMI or with household members who are unemployed at time of application.
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SB 91 - Overview

- Signed into law on January 29, 2021; effective immediately.
 - Extends eviction and foreclosure protections previously established under AB 3088.
 - Provides additional eviction and debt protections for qualifying tenants.
 - Appropriates \$1.5B in Federal ERAP funds allocated to the State to implement a new State ERAP.
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State ERAP - Overview

- Administered by State HCD.
 - Same criteria for eligible uses of funds as Federal ERAP; **rental arrears also prioritized first.**
 - Same criteria for eligible households as Federal ERAP.
 - However, state priorities more specific:
 - Round 1– households with income < 50% of AMI.
 - Round 2– communities disproportionately impacted by COVID-19 (as determined by HCD).
 - Round 3 – all other households with income < 80% of AMI.
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State ERAP – Overview Cont'd

- Participating landlords will receive 80% unpaid rent for qualifying tenants accrued from April 1, 2020 through March 31, 2021, provided landlords agree to:
 - Accept as payment in full of rent debt owed by the household.
 - Release claims for nonpayment of rent debt owed by the household.
 - If landlord does not participate, then eligible households can receive direct financial assistance equal to 25% of their unpaid rent, which can apply toward their rental debt.*
 - Prospective rent payments through June 30, 2021 also equal to 25% of monthly rent.*
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State ERAP - Overview Cont'd

- New Rules re COVID-19 Rental Debt Collection Suits:
 - When filing suit, landlords must now attach documentation that establishes that they did all of the following:
 - Made a good faith effort to investigate whether governmental rental assistance is available to the tenant;
 - Sought governmental rental assistance for tenant, if available; and
 - Cooperated with the tenant's efforts to obtain rental assistance from any governmental entity or third party.
 - Courts are authorized to reduce the damages award if:
 - Tenant was eligible for rental assistance;
 - Rental assistance was available; and
 - Landlord refused to obtain rental assistance.
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Options for County to Implement State ERAP Locally

- As a county with > 200,000 residents, County must select one of these three options **by February 12, 2021**:
 - ❑ **Option A:** HCD administration of Federal and State ERAP allocations on behalf of County.
 - ❑ **Option B:** Block grant from HCD to County, and County agrees to conform Federal ERAP allocation to State ERAP.
 - ❑ **Option C:** Administration of State ERAP allocation by HCD on County's behalf with County separately administering its direct Federal ERAP allocation.

Option A - HCD Administration

- County transfers 98.5% of its direct Federal ERAP allocation to HCD.
 - HCD, through retained vendor **Local Initiatives Support Corporation (“LISC”)**, administers and disburses Federal and State ERAP allocation on County’s behalf.
 - County retains remaining 1.5% of its direct Federal ERAP allocation (\$341,873.20) to pay admin fees to local non-profit organizations and agencies providing technical assistance, education and outreach, and other services to facilitate HCD’s administration locally.
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Role of LISC in State ERAP

- Develop/manager multi-lingual, mobile central application portal for landlords and tenants
 - Technical assistance and support/call center for applicants
 - De-duplication of applications within system
 - Verification of applicants' eligibility and review of required documentation
 - Fraud and privacy protections
 - Bank account verification/assistance
 - Transfer of rental assistance funds to selected applicants
 - Reporting to cities and counties/reporting on program and fund outcomes
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Option B – Block Grant to County

- County receives State ERAP allocation as a block grant from State.
 - County self-administers both State and Federal ERAP allocations locally in conformance with State ERAP requirements and abiding by these timelines:
 - Rental assistance to commence in early March 2021.
 - 65% of block grant funds contractually obligated by June 1, 2021.
 - All block grant funds fully expended by August 1, 2021, or the funds will revert back to the State.
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Option C – Separate State and County Programs -**corrected from memo/reso*

- County does not receive State ERAP allocation as a block grant from State.
 - State instead holds County's State ERAP allocation and administers it on the County's behalf.
 - However, County separately self-administers its Federal ERAP allocation.
 - County would also be responsible for ensuring no duplication of benefits between the two separate programs.
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Recommendation: Select Option A

- State and LISC better equipped to handle increased scope and scale required for administration and distribution of funds within compressed timelines.
 - State and LISC better equipped to handle significant reporting requirements.
 - Core Service Agencies still to play a critical role in providing technical assistance, education, outreach, and other services to help State implement locally.
 - Funds from remaining 1.5% Federal ERAP allocation to County (\$341,873.20) to help cover administrative costs.
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