

RESOLUTION NO. .

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

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- RESOLUTION: A) AUTHORIZING THE CONTRIBUTION OF \$2,000,000 TO THE EMERGENCY FINANCIAL ASSISTANCE PROGRAM, COMPRISED OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS RECEIVED BY THE DEPARTMENT OF HOUSING PURSUANT TO THE CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY (CARES) ACT AND ADDITIONAL CARES ACT FUNDS OR OTHER FUNDS AS DETERMINED BY THE COUNTY MANAGER, FOR THE PROVISION OF EMERGENCY RENT ASSISTANCE GRANTS TO RESIDENTIAL TENANTS WHO ARE UNABLE TO PAY RENT DUE TO COVID-19 OR THE GOVERNMENT RESPONSE TO COVID-19; AND**
- B) AUTHORIZING THE DISBURSEMENT OF \$300,000 IN CARES ACT FUNDS OR OTHER FUNDS AS DETERMINED BY THE COUNTY MANAGER TO SAMARITAN HOUSE FOR PAYMENT OF ADMINISTRATIVE FEES FOR ADMINISTRATION OF THE EMERGENCY FINANCIAL ASSISTANCE PROGRAM; AND**
- C) AUTHORIZING AND DIRECTING THE COUNTY MANAGER AND HIS DESIGNEES TO NEGOTIATE AND EXECUTE APPROPRIATE AGREEMENTS WITH THE COUNTY'S CORE SERVICE AGENCIES FOR THE ADMINISTRATION OF, AND DISBURSING OF GRANTS FROM THE EMERGENCY FINANCIAL ASSISTANCE PROGRAM; AND**
- D) AUTHORIZING AND DIRECTING THE COUNTY MANAGER AND HIS DESIGNEES TO ESTABLISH A SMALL RESIDENTIAL RENTAL PROPERTY OWNER ASSISTANCE PROGRAM AND TO NEGOTIATE AND EXECUTE APPROPRIATE AGREEMENTS ON BEHALF OF THE COUNTY FOR THE IMPLEMENTATION OF THE SMALL RESIDENTIAL PROPERTY OWNER ASSISTANCE PROGRAM, AND DIRECTING THE COUNTY MANAGER OR HIS DESIGNEES TO PRESENT ON THIS PROGRAM TO THE BOARD OF SUPERVISORS AT ITS MEETING OF SEPTEMBER 15, 2020 AND AUTHORIZING AND DIRECTING THE ALLOCATION AND DISTRIBUTION OF UP TO \$2,000,000 IN CARES ACT FUNDS FOR THE PROGRAM; AND**
- E) AUTHORIZING AND DIRECTING THE COUNTY MANAGER AND HIS DESIGNEES TO IDENTIFY EXISTING ADDITIONAL PROGRAMS AND DEVELOP AND IMPLEMENT NEW PROGRAMS FOR TENANTS AND RESIDENTIAL RENTAL PROPERTY OWNERS ADVERSELY IMPACTED BY COVID-19 OR THE GOVERNMENT RESPONSE TO COVID-19, INCLUDING BUT NOT LIMITED TO INCENTIVE PROGRAMS FOR LANDLORDS AND TENANTS TO COMPROMISE ON BACK RENT, LEGAL SERVICES, INFORMATION AND REFERRAL SERVICES AND EDUCATIONAL PROGRAMS AND TO NEGOTIATE AND EXECUTE APPROPRIATE AGREEMENTS ON BEHALF OF THE COUNTY FOR THE IMPLEMENTATION AND/OR FUNDING OF SUCH PROGRAMS, AND DIRECTING THE COUNTY MANAGER OR HIS DESIGNEES TO PRESENT ON THESE PROGRAMS TO THE BOARD OF SUPERVISORS AT ITS MEETING OF SEPTEMBER 15, 2020, AND AUTHORIZING AND DIRECTING THE ALLOCATION AND DISTRIBUTION OF UP TO \$1,000,000 IN CARES ACT, MEASURE K OR OTHER FUNDS AS DETERMINED BY THE COUNTY MANAGER TOWARD THESE PROGRAMS**
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RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, on March 24, 2020, the Board of Supervisors adopted Emergency Regulation 2020-001 (the “Emergency Regulation”), which placed a temporary Countywide moratorium on residential evictions for (1) non-payment of rent by tenants directly impacted by the COVID-19 pandemic; and (2) certain no-fault causes; and

WHEREAS, on July 21, 2020, the Board extended the term of the Emergency Regulation through August 31, 2020; and

WHEREAS, once the Emergency Regulation expires, the tenant must pay current rent as it comes due and has a prescribed period of time thereafter to pay all rent payments missed due to COVID-19 while the Emergency Regulation was in effect; and

WHEREAS, some tenants may accrue up to five months of back rent by that date (i.e., rent payments due in April through August 2020); and

WHEREAS, residential rental property owners, especially smaller property owners that rent to one or more low-income households, have been economically impacted by these delayed rent payments; and

WHEREAS, the number of confirmed COVID-19 cases continues to rise, and many residents continue to suffer from the severe financial impacts of the pandemic, including loss of income due to lay-offs and business closures or the reduction of work hours and extraordinary out-of-pocket medical expenses; and

WHEREAS, the State Department of Health is maintaining a watch list of counties that are being monitored for worsening COVID-19 trends, and if a county is on the monitoring list for three days or longer, the State will order that County to restrict the operation of certain activities; and

WHEREAS, as of July 29, 2020, San Mateo County has been placed on the monitoring list, and if it remains on the monitoring list for three consecutive days, it will be required to roll back some of its re-opening steps; and

WHEREAS, at the same time, tenants who have deferred rent payments under the Emergency Regulation are continuing to accumulate deferred rent, which must eventually be repaid; and

WHEREAS, the longer the eviction moratorium extends, the larger that deferred rent debt becomes, especially given the County's residential rental market where rents are well above the national average; and

WHEREAS, some public policy experts note that while allowing renters to suspend rent payments for a few months can help them in the short term, such rent deferrals may increase households' longer-term financial insecurity"; and

WHEREAS, these experts have further opined that the eviction moratori in effect for an extended period of time may have "harmful ripple effects throughout local economies," and accordingly, recommend direct financial support to tenant households and property owners; and

WHEREAS, smaller, debt-burdened property owners are at particular risk of foreclosure as a result of COVID-19 and government response to the pandemic; and

WHEREAS, unlike the forbearance that banks have provided to home mortgage holders, many commercial lenders have not provided loan payment deferrals for commercial (multi-family) mortgages; and

WHEREAS, although Assembly Bill 828, an active bill in the committee process in the California Legislature, would provide a temporary moratorium on foreclosures and evictions until 15 days after the State of Emergency is lifted, it does not provide for any of the financial relief that would likely be required for some particularly hard-hit residential rental property owners to retain ownership of their properties; and

WHEREAS, In addition to providing emergency financial relief to tenants and small residential rental property owners, there are other pandemic-related needs that property owners and tenants are experiencing, which could be addressed through existing or new programs supported by the County, such as incentive programs for tenants and property owners to compromise on back rent, legal services for tenants facing imminent eviction, and information, education, and referral services and alternative dispute resolution services for tenants and property owners; and

WHEREAS, both tenants and property owners would benefit from expanded financial assistance and access to existing services and programs such as legal services, and incentive programs for compromise on back rent, as well as COVID-19 related information, education and referral services and alternative dispute resolution services; and

WHEREAS, County staff has recommended that this Board authorize the contribution of an additional \$2,000,000 to the Emergency Financial Assistance Program for the provision of emergency rent assistance grants, which will be disbursed through the County's eight Core Service agencies on behalf of residential tenants throughout the County who are unable to pay rent due to COVID-19; and

WHEREAS, these grants are generally paid directly to the qualifying tenant's property owner; on behalf of the tenant; and

WHEREAS, the Board allocated \$2,000,000 in SMC Strong Funds to the Emergency Financial Assistance Program earlier this year, cities have also contributed over \$3,000,000, and foundations have also provided additional funds, but the need is greater than the available funds; and

WHEREAS, until the local economy fully recovers, there will be significant on-going need for rent assistance among the County's low-income residents; and

WHEREAS, County staff also recommends that the County Manager and his designees be instructed and authorized to work with the Core Service agencies to increase the available funding for the Emergency Financial Assistance Program by amending or negotiating and entering into, on behalf of the County, appropriate agreements and to provide the Board with regular updates regarding amounts disbursed; and

WHEREAS, County staff has recommended the County Manager and his designees be authorized to negotiate and execute an agreement with Samaritan House, pursuant to which Samaritan House will administer the additional funds contributed to the Emergency Financial Assistance Program in exchange for an administrative fee in amount totaling \$300,000 (i.e., fifteen percent of the \$2,000,000 recommended additional contribution amount); and

WHEREAS, the County's contribution will consist of Community Development Block Grant (CDBG) funds received by the Department of Housing pursuant to federal Coronavirus Aid, Relief and Economic Security (CARES) Act and additional CARES Act funds or other funds as determined by the County Manager; and

WHEREAS, County staff has recommended that the County Manager and his designees establish a small residential rental property owner assistance program that would provide grants to property owners enduring particular hardship as a result of nonpayment of rent or reduced payment of rent due to COVID-19, and that up to \$2,000,000 in CARES Act funds be allocated for the program; and

WHEREAS, the proposed program would be aimed at assisting smaller "mom and pop" property owners who meet certain program requirements and who own a relatively small number of rental units within the jurisdictional boundaries of San Mateo

County, and have been economically impacted due to COVID-19 or the governmental response to COVID-19; and

WHEREAS, if directed to establish such a program, staff would work with community partners to develop the program design, establish its requirements and guidelines, conduct targeted outreach to property owners more likely to benefit from the program, and determine how the program would be administered, including the application process and documentation requirements; and

WHEREAS, to address other pandemic-related needs that property owners and tenants are experiencing, County staff has recommended that the County Manager or his designees be directed to identify additional existing programs for tenants and property owners adversely impacted by COVID-19, that the County Manager or his designees be authorized and directed to negotiate and execute, on behalf of the County, appropriate agreements to fund such programs, and that up to \$1,000,000 in CARES Act funds or other funds as determined by the County Manager be allocated to these programs.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors hereby authorizes the contribution of \$2,000,000 to the Emergency Financial Assistance Program, comprised of Community Development Block Grant (CDBG) funds received by the Department of Housing pursuant to the Coronavirus Aid, Relief and Economic Security (CARES) Act and additional CARES Act funds or other funds as determined by the County Manager, for the provision of emergency rent assistance grants to residential tenants who are unable to pay rent due to COVID-19 or the government response to COVID-19; and

IT IS FURTHER DETERMINED AND ORDERED that the Board of Supervisors hereby Authorizing the disbursement of \$300,000 in CARES Act funds or other funds as determined by the County Manager to Samaritan House for payment of administrative fees for administration of the Emergency Financial Assistance Program; and

IT IS FURTHER DETERMINED AND ORDERED that the Board of Supervisors hereby Authorizing and directing the County Manager and his designees to negotiate and execute appropriate agreements with the County's Core Service agencies for the administration of, and disbursing of grants from the Emergency Financial Assistance Program; and

IT IS FURTHER DETERMINED AND ORDERED that the Board of Supervisors Authorizing and directing the County Manager and his designees to establish a Small Residential Rental Property Owner Assistance Program and to negotiate and execute appropriate agreements on behalf of the County for the implementation of the Small Residential Property Owner Assistance Program, and directing the County Manager or his designees to present on this program to the Board of Supervisors at its meeting of September 15, 2020 and authorizing and directing the allocation and distribution of up to \$2,000,000 in CARES Act funds for the program; and

IT IS FURTHER DETERMINED AND ORDERED that the Board of Supervisors Authorizing and directing the County Manager and his designees to identify existing additional programs and develop and implement new programs for tenants and residential rental property owners adversely impacted by COVID-19 or the government response to COVID-19, including but not limited to incentive programs for landlords and tenants to compromise on back rent, legal services, information and referral services and educational programs and to negotiate and execute appropriate agreements on behalf of the County for the implementation and/or funding of such programs, and directing the County Manager or his designees to present on these programs to the Board of

Supervisors at its meeting of September 15, 2020, and authorizing and directing the allocation and distribution of up to \$1,000,000 in CARES Act, Measure K or other funds as determined by the County Manager toward these programs.

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