

RESOLUTION NO. .

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

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RESOLUTION: A) ESTABLISHING THE SMALL PROPERTY OWNERS ASSISTANCE PROGRAM TO PROVIDE GRANTS TO ELIGIBLE PROPERTY OWNERS WHO HAVE LOST RESIDENTIAL RENTAL INCOME DUE TO COVID-19; AND B) AUTHORIZING THE COUNTY MANAGER, OR DESIGNEE, TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH SMC COMMUNITY FUND TO ADMINISTER THE PROGRAM AND DISTRIBUTE GRANTS TO RECIPIENTS FOR THE TERM SEPTEMBER 15, 2020 THROUGH DECEMBER 30, 2020

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, even as the State and County begin to reopen, the number of identified COVID-19 cases continues to grow; and

WHEREAS, large numbers of County residents have lost their sources of income and are struggling to make ends meet due to COVID-19; 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.

WHEREAS, the Board extended the protections of Emergency Regulation 2020-001 multiple times, most recently, through 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, many local residential rental property owners have experienced 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 provide a primary source of income; and

WHEREAS, small-scale local rental property owners provide a significant share of below-market-rate rental housing and thus provide a vital service to the County's residents; and

WHEREAS, on August 4, 2020, the Board adopted a resolution allocating \$2,000,000 of CARES Act funds to establish the San Mateo County Small Residential Rental Property Owner Assistance Program ("Program"); and

WHEREAS, staff has recommended that in order to qualify for financial assistance under the Program, rental property owners must meet all of the following criteria:

- 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.

WHEREAS, staff recommends that under the Program, qualifying small rental property owners are eligible to receive grants of up to \$6,000 for rental units that meet all of the following criteria:

- Are located in the County;
- Are currently occupied by residential tenant(s) leasing/renting the unit for 30 days or more (short-term and vacation rental properties are not eligible);
- Are units 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;
- Are located in a building and on a parcel free from code violations and unaddressed public liens; and
- Are “naturally affordable,” meaning that the rent for such units is equal to or less than the 2020 HUD Fair Market Rent thresholds for San Mateo County, adjusted for unit size; and

WHEREAS, staff has recommended that each grant will be equal to the amount of demonstrated lost rental income suffered by the property owner for such unit during the period April 1, 2020 through August 31, 2020, less 20%, up to a maximum grant amount of \$6,000; and

WHEREAS, staff recommends that in exchange for receipt of a grant under the Program, a recipient small rental property owner must discharge unpaid back-rent owed by the tenant(s) of the qualifying rental unit(s) for the period April 1, 2020 through August 31, 2020 in an amount equal to the amount of the rental losses, up to a

maximum of \$7,500 in losses (i.e., \$7,500 in losses – 20% = \$6,000 (maximum grant amount)); and

WHEREAS, staff has recommended that prioritization under the Program be given to eligible units in areas throughout the County most impacted by COVID-19 and small-scale property owners with the highest losses relative to total income; and

WHEREAS, the staff has recommended that the County contract with the SMC Community Fund (“Community Fund”), an independent legal entity and non-profit public benefit corporation with experience administering COVID-19-related assistance grants for the County, to review grant applications under the Program to determine applicant eligibility, and that a County advisory team evaluate eligible applications and select grantees, and that the Community Fund disburse grants to recipients; and

WHEREAS, in exchange for the Community Fund administering and distributing grants pursuant to the Program during the term September 15, 2020 through December 30, 2020, the County will pay the Community Fund a fee of \$150,000, 50% of which is paid upon the effective date of the Agreement and the remaining 50% at the end of the term; and

WHEREAS, there has been presented to the Board a draft form of agreement with the Community Fund to administer the Program (the “Draft Agreement”), which the Board has reviewed as to form and substance.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Board establishes the Small Property Owners Assistance Program to be administered in accordance with the terms and intent of this resolution.

BE IT FURTHER RESOLVED that the Board authorizes and directs the County Manager, or designee, to negotiate and execute for and on behalf of the County a final

agreement consistent with the material terms of the Draft Agreement and with the terms and intent of this resolution, including, without limitation, an administrative fee of \$150,000 paid to the Community Fund .

BE IT FURTHER RESOLVED that the Board authorizes the County Manager, or designee, to modify the County's maximum fiscal obligation under the final agreement with the Community Fund by no more than \$25,000 (in aggregate) and to modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

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