



SUMMARY REPORT

Agenda Date: 10/5/2021

To: Board of Supervisors of Sonoma County and Board of Commissioners of the Community Development Commission

Department or Agency Name(s): Sonoma County Community Development Commission

Staff Name and Phone Number: Dave Kiff, Interim Executive Director, 707-565-7504

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

Emergency Rental Assistance Program, Round #2 (ERAP-2)

Recommended Action:

- A) Authorize the Interim Executive Director or designee of the Sonoma County Community Development Commission (Community Development Commission) to accept up to \$13,787,577.78 of State Block Grant funds from the California Department of Housing and Community Development (HCD) to self-administer the Emergency Rental Assistance Program (ERAP) to assist households unable to pay rent or utilities (including Internet services) during the COVID-19 pandemic starting from April 1, 2020 (for rent) and from March 13, 2020 (for utilities).
- B) Authorize the Interim Executive Director or designee of the Community Development Commission to enter into contracts with Community-Based Organizations demonstrating capacity through a letter of intent (LOI) to partner with the County in continuing to implementing the Emergency Rental Assistance Program, Round 2.
- C) Authorize the Interim or designee of the Community Development Commission to enter into, execute, and deliver the Round 2 Block Grant Award Documents, which shall include a Standard Agreement in a total amount not to exceed \$13,787,577.78.

Executive Summary:

Approval of this item will:

- Authorize the Community Development Commission to execute contracts with qualified providers to continue to administer the County's Emergency Rental Assistance Program (ERAP), Phase 2 using State funds for this purpose; and

The approval of this Item will give the Community Development Commission the authority to receive the funds in order to obligate 75% of the first tranche or \$4.1 million (the first tranche is 40% of the \$13.8M) by October 31, 2021 to meet the State's requirement for the funding. If the Item is not approved then the County risks losing access to the \$13.8 million for Rental Assistance. There are sufficient appropriations currently included in CDC's FY 21-22 Approved Budget for the receipt and obligation of these funds. Should the Board so desire, staff will return back to the Board with more details about the County's ERAP program overall.

Discussion:

On December 27, 2020 the Federal Consolidated Appropriations Act of 2021 passed by the U.S. Congress

established the Emergency Rental Assistance Program (ERAP) making available \$25 billion nationwide. California received \$2.6 billion; \$1.5 billion directly allocated to the State and \$1.1 billion allocated by the U.S. Treasury to counties and cities with populations over 200,000. To implement the Emergency Rental Assistance Program (ERAP) in California, the Governor signed Senate Bill 91 (SB 91) for COVID-19 Rental Assistance on January 29, 2021 extending the State's eviction moratorium until July 1, 2021, which was previously set to expire on February 1, 2021 provided previously in AB 3088. ERAP is intended to help income-eligible households with rent and utilities, both for past due and future payments. SB 91 also provides tenant (renter) protection laws and funding to support this program. From these acts and bills, Sonoma County received \$14.7 million of direct federal funding and \$17.5 million from State Block Grants for the Emergency Rental Assistance Program Round 1.

The American Rescue Plan Act (ARPA) of 2021 provided an additional \$21.55 billion for federal Emergency Rental Assistance Round 2 program on March 11, 2021. The California Assembly Bill 832 (AB 832) amended SB 91 in June 2021 extended an eviction moratorium through September 30, 2021 and allowed for rental and utility assistance through that same date. AB 832 included a second round of funding for Emergency Rental Assistance in the amount of \$5.2 billion for Counties and Cities within the State. The County received \$17.3 million from ARPA and \$13.8 million from AB 832 for the Emergency Rental Assistance Round 2 program.

Under AB 832, either landlords or tenants can apply for assistance and some new provisions were implemented; for example:

- The program provides to now cover 100 percent of past-due and prospective rent payments, as well as utility bills for income-qualified tenants.
- **Landlords** can get reimbursed for an eligible renter's unpaid rent dating back to April 1, 2020.
- Eligible **renters** whose landlords choose not to participate in the program may apply on their own and receive assistance for unpaid rent dating back to April 1, 2020. Eligible renters can receive financial assistance for rent for a maximum of 18 months inclusive of ERAP-1 assistance.
- Eligible renters may also receive assistance for **unpaid utility payments** dating back to March 13, 2020, or for future utility payments, which will both be compensated at 100% of cost, limited to a total of 12 months, and paid directly to the utility provider.

Who Qualifies? Tenants must have:

1. Experienced a reduction in income, large increase in expenses, or experienced financial hardship due, directly or indirectly, to COVID-19, and be able to put this in writing; and
2. Demonstrated housing instability, which may include:
 - a. A past due utility or rent notice or eviction notice
 - b. Risk of experiencing homelessness
 - c. Unsafe or unhealthy living conditions
 - d. Any other evidence of risk
3. A household income that is not more than 80% of Area Median Income (AMI) for the household.

Landlords must:

1. Be the property owner or the property management/agency who has legal authority to lease the unit;
2. Have one or more eligible tenants with unpaid rent between April 1st, 2020 and September 1st, 2021 due to a COVID-19 related event;
3. Have a rent statement or ledger, or a tenant lease, or a written and/or oral agreement with the eligible tenants. If the written lease or oral agreement is expired or will expire during the period that the program will cover, landlord must extend the terms of the prior lease at least through the end of the final month which an assistance payment is made under the program; and
4. Agree to waive 20% of the unpaid rent for the above time period.

The State's ERAP Round 2 allocation from AB 832 for Sonoma County is \$13,787,577.78. Per the grant requirements seventy-five percent (75%) of the first tranche of this allocation (the first tranche being 40% of the total amount) must be obligated by October 31, 2021. Seventy-five percent (75%) of the forty percent (40%) is about \$4.1 million. (CR) While the remaining dollars must be obligated by 9-30-2025.

As we work to meet the deadline, staff will continue to work to distribute the Federal Round 1 and 2 funds, as well as to seek a re-allocation of State Round 1 funds should the need be demonstrated. As a reminder, deadlines for these funds are:

- Federal Round #1 (\$14.7M): 65% of total obligated by 9-30-2021, 100% obligated by 9-30-2022
- Federal Round #2 (\$17.3M): 50% obligated by 3-31-2022, 100% obligated by 9-30-2025
- State Round #1 (\$17.5M): 65% obligated by 8-1-2021
- State Round #2 (\$13.8M): 75% of first tranche or \$4.1M (the first tranche is 40% of the overall funding) obligated by 10-31-2021, 100% obligated by 9-30-2025.

The CDC will issue a letter of intent (LOI) requesting information from Community-Based Organizations within the County with the capacity to provide Emergency Rental Assistance for this new round of funding. CDC will execute contracts with the responsive and responsible CBOs to distribute the funding into the community. The County is committed to a no wrong door approach so any of the CBOs can assist an individual or family seeking assistance. For additional information on the overall rental program or how to apply can be found on the CDC's COVID-19 Rental Assistance Website: <https://sonomacounty.ca.gov/CDC/News/COVID-19-Rental-Assistance/>

DHS and CDC staff are committed to the success of this program, and will be pleased to present more details of the program to the Board at a later date should the Board wish.

Prior Board Actions:

April 5, 2021 Emergency Rental Assistance Program (ERAP) and Tenant Protection for COVID-19 (file #2021-0271)

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY 22-23 Projected	FY 23-24 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			

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General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

The FY 2021/22 Approved Budget has sufficient appropriations included for the State Emergency Rental Assistance Program Round 2. If additional appropriations are needed for the State ERAP #2 in FY 2021/22, the request will be included in a Consolidated Budget Adjustment Item. Appropriations will be included in the recommended budget in subsequent fiscal years as needed.

Staffing Impacts:

Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment 1 - Authorizing Resolution

Related Items "On File" with the Clerk of the Board:

April 5, 2021 Previous Board Action (file #2021-0271)