



SUMMARY REPORT

Agenda Date: 3/22/2022

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

Department or Agency Name(s): Community Development Commission

Staff Name and Phone Number: Dave Kiff, (707) 565-7504

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

Emergency Rental Assistance Program (ERAP) Update and Tenant Protection for COVID-19 Update

Recommended Action:

- A) Receive an update of the Emergency Rental Assistance Program implemented on April 19, 2021.
- B) Authorize the Interim Executive Director, or designee, of the Community Development Commission (CDC) to apply for and accept reallocated State and/or U.S. Treasury ERA 2 funding in the amount of up to \$20,000,000 to be used for assistance through the Emergency Rental Assistance Program to continue aiding households unable to pay rent or utilities once the reallocated funding is made available after March 31, 2022.
- C) Authorize the Interim Executive Director, or designee, of the Community Development Commission to enter into new or updated contracts of amounts not to exceed the amount awarded to the County with Community Based Organizations that demonstrate capacity based on past success to partner with the County in implementing the Emergency Rental Assistance Program.

Executive Summary:

Approval of this item will authorize the Community Development Commission to apply for and receive reallocated State and/or U.S. Treasury ERA 2 funding to make more emergency rental assistance funding available locally and resume assistance to households unable to pay rent or utilities.

Approval of this item will also delegate authority to the Community Development Commission to enter into new contracts or extend existing contracts with qualified Community Based Organizations to continue administering the Emergency Rental Assistance Program once ERA 2 funding has been secured and expanded budgetary authority has been established.

Discussion:

On February 12, 2021, the Sonoma County Community Development Commission (CDC) notified the California Department of Housing and Community Development (HCD) of its intention to self-administer the COVID-19 Rental Assistance program, in lieu of a State-administered option.

On April 19, 2021 Sonoma County's Emergency Rental Assistance Program (ERAP) commenced and began assisting households unable to pay rent or utilities under SB 91 providing up to 80% of rental assistance in arrears with statewide evictions moratorium through June 30, 2021.

On June 28, 2021, AB 832 was passed and changed some of the provisions that governed ERAP assistance

under SB 91. One important change was to allow 100% reimbursement of rental arrears to landlords.

To date, the Sonoma County ERAP has been awarded \$45.8 million in state and federal dollars. Over \$29 million has been expended with \$26.5 million of that as direct assistance to 2,193 Sonoma County households leaving a remaining balance of \$16.6 million. There are approximately 3,872 applicants still awaiting assistance.

If we assume that the typical assistance per household in 2022 is about \$8,500, then the current caseload may create an over subscription of about \$8 million. As a result of this, the County will still accept new applications, but we have prioritized review and possible funding of only those applications that were received and completed prior to February 11, 2022. Additionally, we review applications first based on the applicant's Average Median Income.

By statute, the process for reallocating ERA 2 funds will not begin until March 31, 2022, and the US Treasury will publish separate guidance for this reallocation. The State may have a reallocation process as well. Although the number of applications being submitted has begun to slow, we anticipate households will continue to apply for assistance well into 2022.

To provide an appropriate amount to cover the shortfall and anticipated further requests, we believe that authorization to apply for up to \$20 million from the reallocated State and/or Federal ERA funds expected to be made available will put the County in a position to continue to serve households during these difficult times.

Tenant Protection Initiatives. Generally, renters who have submitted a complete application have some protection under state law from being evicted for non-payment of rental debt incurred between Oct. 1, 2021, and March 30, 2022, until the applicant's funding decision has been made or at such time as a tenant is deemed to have failed to complete their section.

Additionally, on February 9, 2021, the Board of Supervisors approved an amendment to the COVID-19 Eviction Defense Ordinance, requiring landlords to state and substantiate a "Just Cause" reason to evict tenants in any eviction.

The only allowable "Just Cause" reasons for eviction are:

- The tenant poses an imminent threat to health or safety (like violence);
- The landlord is removing the property from the rental market; or
- Nonpayment of rent (subject to certain ongoing limitations on evictions for those unable to pay for reasons related to the COVID-19 pandemic).

This amendment creates a legal defense for tenants who live in Sonoma County and receive an eviction notice based on any other reason.

The COVID-19 Just Cause protections can apply to those who are unable to pay rent and those who are able to pay rent. The COVID-19 Just Cause protections are in effect until the end of the local repayment period as modified by state law, which will be June 30, 2022 if no changes are made to the law or the Sonoma County declaration of emergency regarding the COVID -19 pandemic ends. If the County's declaration of a state of emergency is terminated, the COVID-19 Just Cause protections will sunset 60 days thereafter, concurrent with

Agenda Date: 3/22/2022

the end of the repayment period under the County-level protections for eviction for COVID-19 related nonpayment of rent. Extension of the County emergency declaration would not extend the repayment period.

The information in this summary is not legal advice. Persons who are concerned about their rights against eviction should contact an attorney, Legal Aid Sonoma County (707-542-1290) or California Rural Legal Assistance (707-528-9941). The Board of Supervisors allocated a portion of the ERAP funds assigned to the County to organizations to support these legal aid efforts and \$150,000 from the Coronavirus Aid, Relief, and Economic Security Act to Legal Aid Sonoma County in January, 2021.

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/>

Strategic Plan:

N/A

Prior Board Actions:

04/06/2021 - Resolution of the Governing Body of Sonoma County Authorizing Participation in the State Rental Assistance Program (Resolution #21-0148)

01/26/2021 - COVID-19 Legislative Update and Consideration of Local Aid Programs

01/05/2021 - COVID Fiscal Update, Community Needs, Eviction, and Sick Leave Policies

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY 22-23 Projected	FY 23-24 Projected
Budgeted Expenses		0	
Additional Appropriation Requested	0		
Total Expenditures	0	0	0
Funding Sources			
General Fund/WA GF			
State/Federal	0	0	
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	0	0	0

Narrative Explanation of Fiscal Impacts:

The Community Development Commission intends to seek up to \$20,000,000 in Re-allocated State or Federal Round #2 Emergency Rental Assistance Federal Funding. Should an award be made, we will return to the Board with a consent item making the related budget changes.

Staffing Impacts:

Agenda Date: 3/22/2022

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

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

None

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

None