



COMMUNITY DEVELOPMENT AGENCY

March 9, 2021

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SUBJECT: State Rental Assistance Funds

Dear Supervisors:

RECOMMENDATION:

1. Approve acceptance of up to \$8,385,769.36 of Rental Assistance from the State Department of Housing and Community Development (HCD),
2. Approve budget adjustment to appropriate funds to ensure continuity of County's existing rental assistance program, and
3. Delegate authority to the County Administrator, subject to County Counsel review, to execute a Standard Agreement and other related documents to accept State Rental Assistance Funds Block Grant Award.

SUMMARY:

The County of Marin was allocated \$8,385,769.36 of Rental Assistance funds by the State as part of the State's share of the federal COVID-19 relief bill, the Consolidated Appropriations Act. The State will charge an administrative fee in the amount of \$139,762.82 leaving \$8,246,006.54 available for the County's Rental Assistance Program.

The State rental assistance program is intended to help eligible households cover rental and utilities arrears, prospective payments for rent and utilities, and to provide funding for housing stabilization services. The goal of the program is to prevent evictions and housing instability due to the COVID-19 pandemic. SB 91 assistance is to be directed to the primary period of the pandemic, which was declared a national emergency on March 13, 2020. The eligible period of assistance for rental arrears extends from April 1, 2020 until March 31, 2021. Arrears must have been incurred during this time period in order to be eligible for financial relief through this program. Current and prospective rents and utilities are eligible throughout the operational period of this funding, but prospective rent payments may not exceed 25% of the rental cost for the months April-June 2021.

The program will be a partnership with our local landlords and housing providers. One of the key aspects of the State program is that landlords can choose to accept 80 percent of any unpaid rent owed from April 1, 2020, through March 31, 2021. If a landlord accepts this funding, the landlord agrees to forgive the remaining unpaid 20% rent for that covered period. However, if a landlord chooses not to participate, the tenant can still apply for relief valued at 25 percent of unpaid back rent they owe for the covered period.

To administer the program, the County hired two coordinators who will start on March 8, one of whom will be a liaison with the landlords and housing providers and the other who will focus on overseeing the intake team and funding distribution. On February 9, your Board approved contracts with three Community Based Organizations (CBOs) to provide staffing to the program. In addition, Disaster Service Workers from the County and the City of San Rafael will continue to assist with the program. A consultant has been identified who is developing software which will integrate and streamline the program application, documentation and verification process and reporting requirements. We will return to your board shortly for approval of that technology contract. Staff will continue to coordinate and collaborate with stakeholders including landlords and housing providers, renters, and CBOs to do outreach about the program.

BACKGROUND: Through the federal Consolidated Appropriations Act, 2021, California received \$2.65 billion in Emergency Rental Assistance funds. Around \$1.4 Billion was given directly to the State while the remaining balance was provided directly to local jurisdictions with populations above 200,000. Pursuant to Section 501(c) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021, rental assistance funds are to be used to pay for rental arrears, prospective rental payments, utility and home energy cost arrears, utility and home energy costs, and "other expenses related to housing incurred due, directly or indirectly, to the novel coronavirus disease (COVID-19) outbreak" as to be determined by the Secretary of the United States Department of the Treasury. The Act further requires individuals under 50% Area Median Income and/or who have been recently unemployed to be prioritized for rental assistance funds. All rental assistance funds from the US Department of the Treasury must meet these and all additional requirements outlined in the Act.

To implement its funds from the Act, the State passed SB 91 which created the State Rental Assistance Program and provided eligible jurisdictions with the option to accept their portion of the State allocation as a block grant. SB 91 also gave the Department the authority to create guidelines regarding the administration of the federal rental assistance funds consistent with the requirements of the federal law and any regulations or guidance promulgated pursuant to federal law.

On February 9, 2021 your Board accepted an award from the US Department of Treasury in the amount of \$7,695,347 of Emergency Rental Assistance funds, as part of the COVID-19 relief bill, Consolidated Appropriations Act, passed by Congress which allocated \$1.1 billion directly to local governments with populations over 200,000. Under the provisions of the State Senate Bill SB 91, if the County accepts the award from the State, the Treasury funds must be aligned with the State funds. Combined the program will provide approximately \$16 million in rental assistance for local renter households and landlords.

EQUITY IMPACT: The 2020 Marin County Analysis of Impediments to fair housing choice illustrated racial disparities in housing, largely tied to the impacts of historic housing policies and practices that prevented equal opportunity in housing accessibility, quality, and financing. Marin County presents the starkest racial inequities in housing tenure throughout the nine Bay Area counties: while over two thirds of non-Hispanic white residents are homeowners, roughly three quarters of both Black/African American and Hispanic/Latinx communities in Marin are renters. The proposed Rental Assistance program will protect renters, who are disproportionately

people of color, against displacement. It is a County priority that these funds are distributed in an equitable manner, ensuring that those most impacted by the COVID-19 pandemic are served with dignity, respect, and compassion regardless of their circumstances including but are not limited to their race, ethnicity, immigration status, criminal record, disability, gender or sexual identity. The County recognizes that those most in need of pandemic related rental assistance are often also those for whom barriers to accessing such a program are the highest. Staff will continue to seek to identify barriers and make adjustments to the program as needed. The program will provide priority to extremely low and very low-income households. In addition, staff will provide information to tenants and landlords involved in the program, including information in Spanish and English, and other languages as needed.

FISCAL/STAFFING IMPACT: There will be no impact on the General Fund net county cost by acceptance of these funds and there are no cost sharing or matching requirements. Your Board's approval will increase expenditure and revenue appropriations by \$8,246,006.54 in the Countywide Emergency Response program (99COVID005) within the Miscellaneous Projects Fund (1010).

REVIEWED BY:

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|---|---|
| <input type="checkbox"/> Department of Finance | <input checked="" type="checkbox"/> N/A |
| <input checked="" type="checkbox"/> County Administrator's Office | <input type="checkbox"/> N/A |
| <input checked="" type="checkbox"/> County Counsel | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Human Resources | <input checked="" type="checkbox"/> N/A |

SIGNATURE:

Leelee Thomas
Leelee Thomas
Planning Manager

ATTACHMENTS:

1. Resolution accepting funds
2. Sample HCD Standard Agreement