

County of Santa Clara

Office of the County Executive

70 W. Hedding Street, East Wing, 11th Floor
San Jose, California 95110



June 21, 2021

TO: Honorable Members of the Board of Supervisors
Jeffrey V. Smith, M.D., J.D., County Executive

FROM: Ky Le, Deputy County Executive

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SUBJECT: Emergency Rental Assistance Program and Residential Eviction Moratorium

At the June 8, 2021, Board of Supervisors meeting (Item No. 8 and 9), the Board requested additional information about the resources that have been allocated to support community-based organizations (CBOs) and residents with eviction prevention services. In addition, the Board directed Administration and County Counsel to determine if additional measures could be taken given that the statewide residential eviction moratorium will end on June 30, 2021.

Residential Eviction Moratoria. For the Board's consideration at its June 22, 2021, meeting, the Office of the County Counsel has prepared an urgency ordinance establishing a temporary moratorium on residential evictions in the unincorporated area of Santa Clara County through September 30, 2021. In addition, on June 22, 2021, the San José City Council will consider extending its residential eviction moratorium through August 31, 2021. If approved, these actions would provide a substantial portion of renters and landlords in Santa Clara County to request and receive emergency rental assistance that is available from the State and through local agencies. As of the writing of this report, the Administration is unaware if other cities are planning additional actions.

Emergency Rental Assistance Program Background. The County and its partners are implementing an Emergency Rental Assistance program (ERA) to help residents avoid eviction to help property owners recover from the economic impacts of the pandemic. The program will be implemented in two phases and the program's budget could exceed \$200 million. The phasing is necessary because most of the program's funding will come from the emergency rental assistance components of the December 2020 Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the March 2021 American Rescue Plan Act (ARPA). The requirements associated with the ARPA funding are not yet known.

The ERA program for Santa Clara County residents consists of two components. The first is administered by the State using Federal funds that the State has received directly from the United States Department of the Treasury (Treasury). The second component is administered by the local agencies using a combination of private funds, Community Development Block Grant (CDBG) funds, and Federal Emergency Rental

Assistance Program funds that were included as part of CRRSAA and ARPA and directly allocated from Treasury to the County and the City of San José. The County and the City of San José work closely with the State to coordinate, optimize, and ensure access to both components of the ERA program. The State’s component began receiving applications on March 15, 2021, and the local component began receiving applications on June 1, 2021.

The ERA program is in addition to: a) the \$38.4 million that the County and its partners have already been provided to over 14,900 households through programs like the COVID-19 Emergency Homelessness Prevention Program (CEHPP); and, b) the \$9.9 million the County-operated Isolation and Quarantine Support Program has provided to help nearly 4,800 residents.

Emergency Rental Assistance Program Phase 1. On March 23, 2021, (Item No. 67), the Board approved implementing the first phase of the ERA program. The Administration’s report included a preliminary program budget. Table 1 provides an updated program budget. The current budget includes estimates from other cities that the Office of Supportive Housing (OSH) is verifying. The Administration can provide the Board with updates on ERA program budget, expenditures, and funding sources through periodic reports.

Table 1 – ERA Program Phase 1 Budget

	County	City of San Jose	Other Cities	State	Destination: Home and Current Homelessness Prevention System	Total
Rental & Financial Assistance	\$ 24,244,783	\$ 27,072,329	\$ 3,000,000	\$ 62,460,967	\$ 8,661,557	\$ 125,439,636
Outreach, Application Assistance, Admin.	\$ 2,693,865	\$ 3,037,974	\$ -	\$ 6,940,107	\$ 1,493,865	\$ 14,165,811
Legal Services	\$ 380,000	\$ 1,200,000	\$ 95,000	\$ -	\$ 400,000	\$ 2,075,000
Total	\$ 27,318,648	\$ 31,310,303	\$ 3,095,000	\$ 69,401,074	\$ 10,555,422	\$ 141,680,447

Over 88% of the program budget is for direct financial assistance. The program includes funding for 45 CBOs to help people apply for assistance, administer financial assistance, provide legal services, and conduct outreach. As with all the County’s rental assistance programs, ERA prioritizes the poorest residents and strives to assist residents through culturally and linguistically appropriate methods. In the rental and financial assistance programs prior to the ERA program:

- 77% of households served were extremely low income;
- 68% of households included children; and,

- One-third of funding assisted households from five highly impacted east San José zip codes (95111, 95112, 95116, 95122, and 95127).

While funding has been allocated to CBOs for services, direct financial assistance is pooled. With some restrictions, pooling allows resources to be distributed based on actual needs. We anticipate that ERA program funds will be distributed to Santa Clara County residents similar to homelessness prevention programs that were implemented since the start of the pandemic.

Table 2 – Distribution of Rental Assistance to Residents by City (Excludes ERA Program)

	Population	Rental Assistance
Campbell	2.2%	1.9%
Cupertino	3.0%	0.5%
Gilroy	2.9%	4.6%
Los Altos	1.6%	0.0%
Los Altos Hills	0.4%	0.0%
Los Gatos	1.6%	0.9%
Milpitas	4.0%	2.7%
Monte Sereno	0.2%	0.0%
Morgan Hill	2.4%	2.1%
Mountain View	4.2%	4.0%
Palo Alto	3.5%	1.1%
San Jose	53.5%	69.9%
Santa Clara	6.6%	4.6%
Saratoga	1.6%	0.0%
Sunnyvale	8.0%	7.0%
Unincorporated	4.4%	0.7%
	100%	100%

Support for CBOs and Legal Services. The ERA program was developed in collaboration with CBOs and other stakeholders over a three-month period. The CBOs developed and submitted funding requests for program administration and services. All funding requests were approved. After the Board’s meeting on June 8, 2021, the Office of Supportive Housing (OSH) contacted the executive directors of the seven Emergency Assistance Network (EAN) agencies and four legal services agencies. They confirmed an additional contract budget is not needed at this time; however, as the ERA program is implemented, budget modifications may be needed.

There are two immediate challenges. First, the CBOs responsible for administering the rental assistance, helping renters and landlords apply for rental assistance, and conducting outreach have had difficulty hiring additional staff. To address this challenge, the OSH has requested that 60 County employees be assigned as Disaster Service Workers (DSWs) to support the ERA program as part of the COVID-19 pandemic response and recovery. Approximately 50% of DSWs are already in position because they had

been assigned to the Housing and Shelter Joint Departmental Operations Center (JDOC). All DSWs should be in place by June 25, 2021. Furthermore, the Administration is finalizing operational details to have the County's Finance Agency disburse most of the rental and financial assistance. This would reduce administrative costs and free up CBO staff to perform other duties. The County's Finance Agency will begin disbursing funds as part of the ERA program in September 2021.

The second challenge relates to processing and resolving unlawful detainer filings. The legal services agencies indicate that we should partner with the Santa Clara County Superior Court (Court) to strategically use and/or supplement the Court's Alternative Dispute Resolution (ADR) program. The County's Chief Operating Officer and the Court's Presiding Judge spoke on June 18, 2021. The Administration is convening a meeting with representatives from the Court, the tenants' bar, the landlords' bar, and others to discuss options and, potentially, and an implementation plan.

CC: Chief Board Aides
Miguel Márquez, Chief Operating Officer
James Williams, County Counsel
Megan Doyle, Clerk of the Board