

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA:8.1
AGENDA DATE: October 5, 2021

SUBJECT:

Acceptance of an Update on the Stanislaus Emergency Rental Assistance Program and Authorize Participation in the State Rental Assistance Program - 2

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2021-0491

On motion of Supervisor Grewal Seconded by Supervisor B. Condit
and approved by the following vote,

Ayes: Supervisors: B. Condit, Grewal, C. Condit, and Vice-Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: Chiesa

Abstaining: Supervisor: None

- 1) Approved as recommended
- 2) Denied
- 3) Approved as amended
- 4) Other:

MOTION:

Kelly Rodriguez
ATTEST: KELLY RODRIGUEZ, Assistant Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office

BOARD AGENDA:8.1
AGENDA DATE: October 5, 2021

CONSENT

CEO CONCURRENCE: YES

4/5 Vote Required: Yes

SUBJECT:

Acceptance of an Update on the Stanislaus Emergency Rental Assistance Program and Authorize Participation in the State Rental Assistance Program - 2

STAFF RECOMMENDATION:

1. Accept an update on the Stanislaus Emergency Rental Assistance Program (ERAP).
2. Adopt a Resolution Authorizing Participation in the State Rental Assistance Program - 2.
3. Authorize the Chief Executive Officer, or his designee, to execute and amend, if necessary, any related program agreements, contracts or other documentation required to allow the California Department of Housing and Community Development (HCD) Department to administer both the State and Federal Emergency Rental Assistance Program - 2 funds on behalf of Stanislaus County.
4. Authorize the Auditor-Controller to make the necessary budget adjustments pursuant to the attached budget journal.

DISCUSSION:

On December 21, 2020, the United States Congress passed the Consolidated Appropriations Act of 2021 and \$25 billion was allocated to the U.S. Department of the Treasury (US Treasury) for the Emergency Rental Assistance Program (ERA) to assist households that are unable to pay rent and utilities due to COVID-19 pandemic impacts. The US Treasury issued approximately \$1.1 billion to California jurisdictions with a population of 200,000 or more and an additional \$1.5 billion to the State of California. The State of California set aside program funds for select geographic areas (Reservation) including Stanislaus County. The initial expenditure deadline for ERA funds was December 30, 2021.

The ERA Program defined eligible renter households as households with an income up to 80% of the area median income (AMI) who meet both of the following criteria are eligible to receive assistance:

- One or more individuals in the household have qualified for unemployment benefits or can attest in writing that they have experienced other financial hardship due to the COVID-19 pandemic; and

- One or more individuals in the household can demonstrate a risk of experiencing homelessness or housing instability which may include a past due utility or rent notice or an eviction notice; or unsafe or unhealthy living conditions; or any other evidence of such risk as determined by the grantee.
- Priority was given to renter households at or below 50% of AMI and to households in which one or more household members is unemployed and has been unemployed for 90 days.

On February 23, 2021, the Board of Supervisors (Resolution 2021-0066) accepted \$9,973,927 in ERA Funds received from the US Treasury; approved policy recommendations for a Local ERA; approved a resolution authorizing participation in the State Rental Assistance Program; authorized the Chief Executive Officer, or his designee, to negotiate and execute any agreements or memorandums of understanding, including any amendments, necessary to implement a Local ERA Program; and directed the Auditor-Controller to make the necessary budget adjustments.

On June 29, 2021, the Board of Supervisors (Resolution 2021-0302) authorized the Auditor-Controller to move accounting and budgeting for the ERA Program from the General Fund, Community Development Fund to a new Special Revenue Fund, American Rescue Plan Local Coronavirus Fiscal Recovery, to provide for increased transparency in reporting and authorized the Auditor-Controller to make the necessary budget adjustments.

On August 31, 2021, the Board of Supervisors (Resolution 2021-0420) accepted an update on the ERA Program and authorized the Chief Executive Officer, or his designee, to negotiate and execute agreements with California Department of Housing and Community Development Department (HCD) related to administering State of California's Rental Assistance Program -1 Reservation for Stanislaus County in the approximate amount of \$10.7 million.

ERA Program 1 - Funding and Administration

Federal ERA Program 1 Allocation

On January 6, 2021, both Stanislaus County (County) and the City of Modesto (Modesto) were notified that each jurisdiction would receive direct ERA allocations from the U.S. Treasury (Federal ERA Program 1). Senior leadership for the County and Modesto met and determined it would be in the best interest of the community for the agencies to work collaboratively and develop a countywide program rather than create and implement two separate programs. On February 23, 2021, the Board of Supervisors (Resolution No. 2021-0066) accepted \$9,972,927 in Federal ERA Program 1 funds and approved policy recommendations for a local ERA Program. Based on extensive discussions with and feedback from local housing providers, local guidelines included payment of 100% of rental and utility arrears owed by an Eligible Household for the time period April 1, 2020 through March 31, 2021; no household maximum and a focus on Eligible Households at or below 50% of AMI.

Both the County and Modesto contracted with the Stanislaus Regional Housing Authority to act as fiscal agent and run the local ERA program known as the Stanislaus Emergency Rental Assistance Program. The Stanislaus Regional Housing Authority

agreed to develop and maintain a dedicated website and online portal whereby community members can learn about and apply for the program augmented by administrative functions to manage the master list; perform final eligibility review; issue payments to landlords and utility companies and track payments by jurisdiction. To assist with the universal intake process and initial screening of applications, the County and Modesto enlisted the assistance of four local credit unions: Self-Help Credit Union (Ceres, Riverbank and Waterford); Modesto First Federal Credit Union (Modesto and Salida); Organized Labor Credit Union (Modesto); and Rolling F Credit Union (Turlock and Hughson). The credit unions serve as community intake locations and offer additional assistance to households, in both Spanish and English, and enter information into the online portal or offer a paper copy of the application packet. The Stanislaus Emergency Rental Assistance Program opened to the public on Wednesday, February 24, 2021.

Typically, an agency will have several months to develop and implement a new program, including the development of guidelines and protocols. The Federal ERA Program 1 funds required a much quicker establishment and deployment timeline due to the December 30, 2021 expenditure deadline. The Stanislaus Regional Housing Authority, acting as the fiscal and eligibility agent for the County and Modesto, faced several challenges in developing and implementing the Local ERA Program, including:

- No program-wide standard operational guidelines;
- Guidance allowed applicants to self-certify but holds the operating entity responsibility to pay back any fraudulent payments if the self-certifications are found to be incorrect;
- Software to facilitate administration of the program is new and presented implementation challenges;
- Strict warnings against fraud with agencies responsible to pay back any misspent money;
- ERA program is based on tenants' eligibility with payments to be made directly to landlords on behalf of eligible tenants. Landlords are precluded from access to information or updates on funding requests and many tenants were not cooperative in applying for assistance and/or providing eligibility information.
- Many renters, through media and other outlets, have the impression they did not need to pay their rent during the pandemic. The ERA program was specifically designed for tenants who could not pay their rent directly due to COVID-19. This misunderstanding resulted in a large number of ineligible applications being submitted and required staff resources to review and process.
- Frustrated landlords had delinquent tenants that would not apply for the program which resulted in some landlords attempting to file applications on behalf of the tenants, without the tenants' knowledge. When tenants were contacted, some chose not to cooperate, causing lengthy processing times.

- Agencies involved encountered fraudulent applications which require careful handling in consultation with appropriate legal counsel and the Office of Inspector General.
- The Federal reporting requirements are extensive and exceed requirements for current housing and similar subsidy programs.

In August 2021, the Local ERA Program Stanislaus Emergency Rental Assistance Program partners met to assess the current workload and resources and develop a plan to strive to have all eligible applications reviewed by September 30, 2021. In support of this effort, the Community Services Agency (CSA) dedicated several staff and began to conduct eligibility processing of applications on September 7th. Modesto also reassigned staff to assist with data entry needs.

Following is the Local ERA Program data as of September 30, 2021:

Applications Received	7161
Duplicate Applications	731
<hr/>	
Total Actual Applications Received	6430
<i>In Review</i> (eligibility determination in process)	852
<i>Applications in Process</i> (incomplete, not yet submitted)	1447
<i>Waitlist</i> (non-responsive)	0
<i>Applications Denied</i>	3780
<i>Applications Approved</i>	349
Total Paid on Approved Applications	\$2,394,531*

* Stanislaus County = \$899,219 on behalf of 128 households
 City of Modesto = \$1,495,312 on behalf of 221 households

Applications were denied for a variety of reasons including no COVID-related hardship; applicant was homeowner, not a tenant; household was over income threshold; and tenant resided outside Stanislaus County. A large number of incomplete applications were denied after applicants failed to provide additional information. An applicant was contacted a minimum of four times by email and one time by phone before the application was denied. There were also occasions when applicants would abandon the application process upon learning the payments would be made directly to the landlord and/or utility company.

State ERA Program 1 Reservation

In January 2021, the California Legislature passed the COVID-19 Tenant Relief Act (SB 91), extending eviction protections through June 30, 2021 and establishing a mechanism to deploy Federal Emergency Rental Assistance Program funds to assist tenants and landlords impacted by the economic damage of COVID-19. When initially implemented, the State ERA Program allowed a maximum of 80% of rental arrears to be paid and required a landlord to waive the remaining 20%. Based on the landlord profile in our community, the County and its local housing partners did not believe this

was a viable and workable option. Our community has an insufficient number of rental units, mostly owned by small landlords, and there was significant concern the 20% waiver requirement would disincentivize landlords and further reduce our already inadequate supply of rental units. As a result, the County and Modesto opted to develop and run a local ERA Program to provide payment of 100% of rental arrears. While this was a more time consuming and challenging option to implement, the County and its local partners were confident it was the best way to support the tenants and landlords in our community.

In June 2021, Assembly Bill 832 was enacted into law and made several important changes to the State's ERA Program, namely the ability to increase rental arrears assistance to 100%. The significant changes to the State ERA Program addressed many of the programmatic elements that contributed to the County and Modesto choosing to develop and run the Local ERA Program.

On August 31, 2021, the Board of Supervisors (Resolution 2021-0420) authorized the Chief Executive Officer, or his designee, to negotiate and execute agreements with California Department of Housing and Community Development Department (HCD) related to administering State of California's Rental Assistance Program -1 Reservation (Allocation) for Stanislaus County in the approximate amount of \$10.7 million (State ERA Program 1). With the changes to the State ERA program guidelines and the extension of Federal ERA Program 1 funding expenditure deadline to September 20, 2022, County staff recommended pivoting and authorizing HCD to administer the County's State ERA Program 1. All local partners were supportive of this transition as it allows both the County and Modesto to leverage the State resources which are able to scale more quickly to address the increasingly complex program requirements and it allowed the Stanislaus Regional Housing Authority staffing resources to focus on development of new housing units.

Following is the County's State ERA Program 1 data as of September 30, 2021 and reflects applications submitted by residents in the unincorporated area and all cities, excluding City of Modesto. The City of Modesto received a separate reservation from HCD.

Total Active Cases	1,160
Total Funds Requested	\$12,440,895
Total Funds Approved (applicant notified)	\$ 2,872,261
Total Funds Paid	\$ 218,982 for 24 households

ERA Program 2 - Funding and Administration

Federal ERA Program 2 Allocation

The American Rescue Plan Act (ARPA), enacted on March 11, 2021, appropriated up to \$21.55 billion for the Emergency Rental Assistant Program - 2 (Federal ERA Program 2), of which \$2.5 billion was set aside for eligible grantees with a high need for Federal ERA Program 2 assistance, based on the number of very low-income renter households paying more than 50 percent of income on rent or living in substandard or overcrowded conditions, rental market costs, and change in employment since February 2020. The

Federal ERA Program 2 funds are intended to assist low-income households that have experienced financial hardship due to the COVID-19 pandemic, are unable to pay for rent and utilities, and are at risk of experiencing homelessness or housing instability. The County was allocated \$12.7 million in Federal ERA Program 2. The funding expenditure deadline is September 30, 2025.

State ERA Program - 2 Reservation

In June 2021, California Assembly Bill 832 was enacted into law and made several important changes to the State's ERA Program and established the State of California's program for administering the State's ERA Program 2 funds. HCD is authorized to administer the State ERA Program 2 funds and will apportion a share of the State's ERA #2 funds to localities that received a direct allocation of Federal ERA Program 2 funds from the US Treasury. The State has reserved approximately \$9.5 million in State ERA Program 2 Reservation (State ERA Program 2) for the County.

Administration

As with State ERA Program 1 funds, the County has three options for administration of State ERA Program 2 funds:

1. State Administration of both Federal ERA Program 2 and the State ERA Program 2.
2. Local Administration of both the Federal ERA Program 2 and the State ERA Program 2.
3. Hybrid Administration whereby the County administers the Federal ERA Program 2, and the State administers the State ERA Program 2.

The HCD has been coordinating with the US Treasury on how to align administration of state and local direct federal ERA allocations. The US Treasury provided the following guidance for local jurisdictions that would like to redirect direct Federal ERA Program 2 funds to states for administration, referred to as up-streaming:

1. The local jurisdiction sends an email to the US Treasury advising the local jurisdiction would like to up-stream its Federal ERA Program 2 funds to the state for administration.
2. The US Treasury will then confirm with the state it is prepared to administer the Federal ERA Program 2 funds on behalf of the local jurisdiction.
3. Once confirmed, the US Treasury will provide wire/ACH instruction to the local jurisdiction for returning the Federal ERA Program 2 funds previously provided to the local jurisdiction.
4. Once returned, the US Treasury will wire the funds to the state to administer on behalf of the local jurisdiction.
5. The state will then track the local jurisdiction's Federal ERA Program 2 funds and be responsible for all reporting to the US Treasury.

For the reasons previous discussed in support of the HCD administering the County's State ERA Program 1, staff recommends authorizing HCD to administer both the County's Federal ERA Program 2 and State ERA Program 2 funds.

Below is a chart that summarizes the funding sources and administration models discussed in this report:

Funding Source	Amount	Program Administration
Federal ERA Program 1	\$10 million	Local
State ERA Program 1	\$10.7 million (appx)	HCD
Federal ERA Program 2	\$12.7 million	<i>HCD (pending approval)</i>
State ERA Program 2	\$9.5 million (appx)	<i>HCD (pending approval)</i>

POLICY ISSUE:

Board of Supervisors’ approval is required to adopt resolutions authorizing the participation in the State ERA Program 2 for Stanislaus County and to further authorize the Chief Executive Officer to negotiate and execute agreements, and related certifications, or documentation necessary to support participation in the State ERA Program 2.

FISCAL IMPACT:

Federal ERA Program 2 Funds

Of the \$12.7 million in Federal ERA Program 2 allocated to the County, \$1.5 million will be paid to HCD for administering the ERA programs and the County will receive \$381,000 for administration purposes (e.g. marketing and outreach). The remaining balance of \$10.8 million will be available to assist eligible residents. On May 24, 2021, the County received the first tranch of the Federal ERA Program 2 funds, from the US Treasury, in the amount of \$5,080,897.

HCD agreed to administer the Rental Assistance Programs for all local governments in the State.

If the Board of Supervisors authorizes HCD to administer the County’s Federal ERA Program 2 funds, the \$5,080,897 will be returned to the US Treasury. The US Treasury will be responsible for distributing the funds to HCD to administer on behalf of the County. HCD will track the County’s Federal ERA Program 2 funds and be responsible for all reporting to the US Treasury.

The recommended budget adjustment will increase estimated revenue and appropriations by \$32.9 million, which is comprised of the following funding sources:

Funding Source	Amount
State ERA Program 1	\$ 10.7 million
Federal ERA Program 2	\$ 12.7 million
State ERA Program 2	\$ 9.5 million
Total	\$ 32.9 million

The recognition of the \$32.9 million of revenue is an accounting entry. No cash will be received by the County as funds will be sent by the US Treasury directly to HCD for administration of the ERA Programs.

BOARD OF SUPERVISORS' PRIORITY:

Approval of the recommended actions supports the Board of Supervisors' priority of *Supporting Community Health* by providing rental and utility assistance to Eligible Households countywide.

STAFFING IMPACT:

Existing Chief Executive Office and Auditor-Controller staff will work together to ensure implementation.

CONTACT PERSON:

Tina Rocha, Deputy Executive Officer

Telephone: 209-525-6333

ATTACHMENT(S):

1. Resolution
2. Budget Journal

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
STATE OF CALIFORNIA

2021-0491

Date: October 5, 2021

On motion of Supervisor Grewal Seconded by Supervisor B. Condit
and approved by the following vote,
Ayes: Supervisors: B. Condit, Grewal, C. Condit and Vice-Chairman Withrow
Noes: Supervisors: None
Excused or Absent: Supervisors: Chiesa
Abstaining: Supervisor: None

Item # 8.1

THE FOLLOWING RESOLUTION WAS ADOPTED:

**A RESOLUTION AUTHORIZING PARTICIPATION IN THE STATE RENTAL ASSISTANCE
PROGRAM – ROUND 2**

WHEREAS, on March 11, 2021, the American Rescue Plan Act of 2021 (Pub.L. No. 117-2) ("ARPA") was signed into law. Section 3201 of Subtitle B of Title III of ARPA established the federal Emergency Rental Assistance Program ("ERA2"), and authorized the direct allocation of funds to states, the District of Columbia, units of local government, territories, and high-need grantees. The ERA2 funds are intended to assist low-income households that have experienced financial hardship during or due to the COVID-19 pandemic, are unable to pay for rent and utilities, and are at risk of experiencing homelessness or housing instability.

WHEREAS, California Assembly Bill No. 832 (2021-2022 Reg. Sess.) ("AB 832") established the State of California's program for administering its share of ERA2 funds (the "State Rental Assistance Program – Round 2," "SRA2," or "SRA2 Funds"). AB 832 amended Sections 50897, 50897.1, 50897.2, 50897.3, and 50897.4 of, and added Sections 50897.2.1 and 50897.3.1 to, the Health and Safety Code. Health and Safety Code section 50897.1, subdivision (a)(1) authorizes the Department of Housing and Community Development (the "Department") to administer the SRA2 Funds in accordance with state and federal law.

WHEREAS, pursuant to Section 3201 of Subtitle B of Title III of ARPA, the U.S. Department of the Treasury ("Treasury") will allocate ERA2 funds to Locality (this allocation, and any and all additional tranches thereof, the Locality's "ERA2 Allocation").

WHEREAS, pursuant to Health and Safety Code section 50897.2.1, subdivision (a)(3), the Department will apportion a share of the SRA2 Funds to Locality (this amount, and any and all additional tranches thereof, the Locality's "Proportionate SRA2 Share").

WHEREAS, locality intends and agrees that the Department will (1) receive and administer the Locality's ERA2 Allocation for and on behalf of Locality; and (2) administer the Locality's Proportionate SRA2 Share.

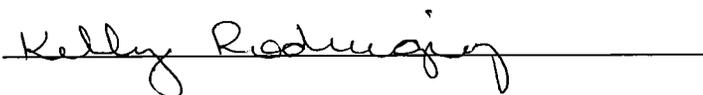
WHEREAS, the Department will administer the Locality's ERA2 Allocation and Proportionate SRA2 Share pursuant to Health and Safety Code section 50897.3.1, subdivision (b)(3).

WHEREAS, furthermore, in accordance with Section 3201(d)(1)(C) of ARPA, the Department will use ERA2 funds to provide Locality with a grant, which Locality shall use to pay any costs it incurs, beginning on March 11, 2021, to support and benefit the State Rental Assistance Program – Round 2 (such costs, the Locality's "Supplemental Administrative Costs").

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Locality is hereby authorized and directed to make any necessary arrangements to effectuate the Department's receipt of Locality's ERA2 Allocation for the purpose of administering it for and on behalf of Locality.
2. Locality is hereby authorized and directed to accept a grant from the Department, in an amount not to exceed \$500,000 which grant shall be used to pay Locality's Supplemental Administrative Costs.
3. Locality is hereby authorized and directed to enter into, execute, and deliver any and all documents (and amendments thereto) that are required or deemed necessary or appropriate UNDER STATE OR FEDERAL LAW to govern the Department's administration of the Locality's ERA2 Allocation for and on behalf of the Locality, as well as the Locality's acceptance of a grant for payment of its Supplemental Administrative Costs (collectively, the "SRA2 Documents"). Such SRA2 Documents shall include a Department-approved STD 213, Standard Agreement in a total amount not to exceed \$30,000,000 (the "Standard Agreement"), and all amendments thereto.
4. Locality acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement.
5. Stanislaus County Chief Executive Officer, or designee, is authorized to execute the SRA2 Documents on behalf of the Locality for participation in the State Rental Assistance Program – Round 2.

ATTEST: KELLY RODRIGUEZ, Assistant Clerk
Stanislaus County Board of Supervisors,
State of California



File No.

Reset Form

Print Form

SCOID:

STATE OF CALIFORNIA-DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER
21-ERAP-10033

PURCHASING AUTHORITY NUMBER (If Applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

The California Department of Housing and Community Development

CONTRACTOR NAME

County of Stanislaus

2. The term of this Agreement is:

START DATE

Upon the date of the Department representative's signature

THROUGH END DATE

Five years from the Start Date

3. The maximum amount of this Agreement is:

\$0.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Authority, Purpose and Scope of Work	5
Exhibit B	Budget Detail and Payment Provisions	2
Exhibit C *	State of California General Terms and Conditions	04/2017
+ -	Exhibit D	State Rental Assistance Program - Round 2 - General Terms and Conditions
3		
+ -	Exhibit E	Special Terms and Conditions
1		

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

County of Stanislaus

CONTRACTOR BUSINESS ADDRESS

1010 Tenth Street

CITY

Modesto

STATE

CA

ZIP

95354

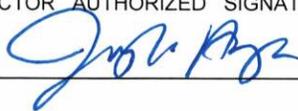
PRINTED NAME OF PERSON SIGNING

Jody Hayes

TITLE

Chief Executive Officer

CONTRACTOR AUTHORIZED SIGNATURE



DATE SIGNED

4/7/22

Reset Form

Print Form

SCOID:

STATE OF CALIFORNIA-DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

AGREEMENT NUMBER
21-ERAP-10033

PURCHASING AUTHORITY NUMBER (If Applicable)

STD213 (Rev. 04/2020)

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

The California Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS

2020 West El Camino Avenue

CITY

Sacramento

STATE

CA

ZIP

95833

PRINTED NAME OF PERSON SIGNING

Steven Del Rio

TITLE

Chief, Business and Contract Services Branch

CONTRACTING AGENCY AUTHORIZED SIGNATURE



DATE SIGNED

4/20/22

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

Exempt per; SCM Vol. 1 4.04.A.3 (DGS memo dated 06/12/1981)

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority

On March 11, 2021, the American Rescue Plan Act of 2021 (Pub.L. No. 117-2) (“**ARPA**”) was signed into law. Section 3201 of Subtitle B of Title III of ARPA established the federal Emergency Rental Assistance Program (“**ERA2**”), and authorized the direct allocation of emergency rental assistance funds to states, units of local governments, territories, and high-need grantees. The ERA2 funds are intended to assist households that are unable to pay rent and utilities during or due to the novel coronavirus disease (COVID-19) pandemic.

California Assembly Bill No. 832 (Chapter 27, Statutes of 2021) (“**AB 832**”) established Round 2 of the State of California’s program for administering its share of ERA2 funds (the “**State Rental Assistance Program – Round 2**,” “**SRA2**,” or “**SRA2 Funds**”). AB 832 amended Sections 50897, 50897.1, 50897.2, 50897.3, and 50897.4 of, and added Sections 50897.2.1 and 50897.3.1 to, the Health and Safety Code. Health and Safety Code section 50897.1, subdivision (a)(1) authorizes the Department of Housing and Community Development (the “**Department**”) to administer the SRA2 Funds in accordance with state and federal law.

The Department and the County of Stanislaus (“**Locality**”) enter into this STD 213, Standard Agreement (“**Agreement**”) under the authority and in furtherance of the State Rental Assistance Program – Round 2.

This Agreement is governed by the following laws (collectively, the “**Program Requirements**”), and each of the following laws is hereby incorporated by reference and made a part hereof:

- A. AB 832, as enacted on June 28, 2021, and as such law may be subsequently amended;
- B. ARPA and related federal guidance, and as such laws may be subsequently amended; and
- C. All other applicable law.

2. Purpose

The State Rental Assistance Program – Round 2 is an extension of the ERA2, and, as such, it is intended to provide Rental Assistance (as defined below) to eligible households.

EXHIBIT A

Pursuant to Section 3201 of Subtitle B of Title III of ARPA, the U.S. Department of the Treasury (“**Treasury**”) will allocate ERA2 funds to Locality (this allocation, and any and all additional tranches thereof, the Locality’s “**ERA2 Allocation**”).

Pursuant to Health and Safety Code section 50897.2.1, subdivision (a)(3), the Department will apportion a share of the SRA2 Funds to Locality (this amount, and any and all additional tranches thereof, the Locality’s “**Proportionate SRA2 Share**”).

Locality intends and agrees that the Department will **(1)** receive and administer the Locality’s ERA2 Allocation for and on behalf of Locality; and **(2)** administer the Locality’s Proportionate SRA2 Share. Locality’s ERA2 Allocation and Proportionate SRA2 Share are hereinafter collectively referred to as the “**Total Round 2 Funds**.”

The Department will administer Locality’s Total Round 2 Funds pursuant to Health and Safety Code section 50897.3.1, subdivision (b)(3).

Furthermore, in accordance with Section 3201(d)(1)(C) of ARPA, the Department will use ERA2 funds to provide Locality with a grant, which Locality shall expend on Supplemental Administrative Costs. The amount of this grant is specified at Exhibit E of this Agreement, along with any special terms and conditions related thereto.

By entering into this Agreement, the Locality agrees to comply with the Program Requirements and the terms and conditions of this Agreement.

3. **Definitions**

Any terms that are not defined below shall have the definitions set forth in the Program Requirements. In the event of any conflict, the definitions set forth in ARPA shall be controlling.

- A. “**Department**” means the Department of Housing and Community Development and, where indicated by context, the Program Implementer that is providing support to the Department as authorized by Health and Safety Code section 50897.3.1, subdivision (a).
- B. “**Locality**” means the entity entering into this Agreement with the Department under the authority and in furtherance of the State Rental Assistance Program – Round 2. The Locality is also identified as “Contractor” on the form STD 213

EXHIBIT A

portion of this Agreement. Furthermore, all obligations applicable to the Contractor as set forth in Exhibit C hereof shall apply to Locality.

- C. **“Program Implementer”** means the vendor, or combination of vendors, that is managing and funding services, and distributing Rental Assistance, on the Department’s behalf pursuant to a Department-approved contract, as authorized by Health and Safety Code section 50897.3.1, subdivision (a).
- D. **“Rental Assistance”** means payments of rental arrears; prospective rent payments; utilities, including arrears and prospective payments; and any other expenses related to housing, as defined by the Secretary of the Treasury.
- E. **“Supplemental Administrative Costs”** means costs incurred by the Locality, beginning on March 11, 2021, to support and benefit the State Rental Assistance Program – Round 2. Such costs shall not exceed 3 percent of the Locality’s ERA2 Allocation unless otherwise specified at Exhibit E of this Agreement. Eligible costs include, but are not limited to, marketing; outreach; and acquisition and/or subscription costs for technology equipment and/or services to support required reporting and activity tracking.

4. Scope of Work

- A. **Locality’s Requirements.** Locality shall provide the Department with documentation of any Rental Assistance it has already distributed pursuant to ARPA or other federal coronavirus relief. Such documentation shall be submitted as specified at Exhibit B of this Agreement.

Where the Locality maintains a rental housing registry, or substantially equivalent record, the Locality shall provide the Department with a current and complete copy of that registry or substantially equivalent record as specified at Exhibit B of this Agreement.

Locality shall, to the greatest extent practicable, support the Department’s processes to prevent fraud and duplication of benefits. Locality shall immediately notify the Department, in writing, upon its discovery of actual or apparent fraud or duplication of benefits in the distribution of the Locality’s Total Round 2 Funds.

Locality shall support the Department’s State Rental Assistance Program – Round 2 and shall expend its grant on Supplemental Administrative Costs as specified by this

EXHIBIT A

Agreement. Locality shall provide the Department with monthly accountings of its grant expenditures in form and substance satisfactory to the Department.

Locality shall provide to the Department any information that the Department reasonably deems necessary for purposes of administering the State Rental Assistance Program – Round 2.

Locality shall comply with all Program Requirements.

B. Department's Administration of the Locality's ERA2 Allocation. The Department shall administer the Locality's ERA2 Allocation in accordance with ARPA, all related federal guidance, and all amendments thereto.

The Department shall distribute the Locality's ERA2 Allocation equitably and consistent with demonstrated need within the Locality. The Department shall be responsible for compliance with all applicable management, implementation, data privacy and security, and reporting requirements established under federal law for the ERA2.

The Department shall track its expenditures of the Locality's ERA2 Allocation and maintain a clear accounting of same.

If and as required under AB 832, the Department shall submit monthly reports to the Joint Legislative Budget Committee regarding its administration of the Locality's ERA2 Allocation.

In accordance with Government Code section 8546.4, subdivision (d), the Department shall be responsible for arranging for federally required financial and compliance audits, and for making all required state notifications.

C. Department's Administration of the Locality's Proportionate SRA2 Share. The Department shall administer the Locality's Proportionate SRA2 Share in accordance with AB 832, ARPA, all related state and federal guidelines and guidance, and all amendments thereto.

The Department shall track its expenditures of the Locality's Proportionate SRA2 Share and maintain a clear accounting of same.

5. State Rental Assistance Program – Round 2, Contract Management

A. Department's Contract Manager. The Department's Contract Manager for this Agreement is the Program Manager of the State Rental Assistance Program in the Department's Division of Federal Financial Assistance, or that person's designee. Locality shall mail any notice, report, or other communication required under this

EXHIBIT A

Agreement by First-Class Mail, or through a commercial courier, to the Department's Contract Manager at the mailing address specified below. All other communication regarding this Agreement shall be directed to the Department's Contract Manager as appropriate.

State Rental Assistance Program – Round 2
Attention: Contract Manager
Division of Federal Financial Assistance
Department of Housing and Community Development
2020 W. El Camino Avenue, 95833
P.O. Box 952054
Sacramento, CA 94252-2054
erap@hcd.ca.gov

B. Locality's Contract Coordinator. Locality's Contract Coordinator for this Agreement is identified below. Unless otherwise informed, the Department shall mail any notice, report, or other communication required under this Agreement by First-Class Mail, or through a commercial courier, to the Locality's Contract Coordinator at the mailing address specified below. The Department will direct all other communication regarding this Agreement to the Locality's Contract Manager as appropriate.

Tina Rocha, Deputy Executive Officer
1010 Tenth Street
Modesto, CA 95354
(209) 652-1122
rochat@stancounty.com

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Budget Detail

Locality has been apportioned an ERA2 Allocation and a Proportionate SRA2 Share in the amounts specified at Exhibit E of this Agreement. These amounts will be increased to the extent the Department receives additional tranches of ERA2 funds from Treasury to be administered for and on behalf of Locality. The Department and Locality shall amend this Agreement, as appropriate, to reflect any increase in the ERA2 Allocation, the Proportionate SRA2 Share, or the Total Round 2 Funds.

Furthermore, the Department is disbursing a grant to the Locality, which shall be expended on Supplemental Administrative Costs in support of the State Rental Assistance Program – Round 2. The amount of this grant is specified at Exhibit E of this Agreement, along with any special terms and conditions related thereto. This grant amount will be increased to the extent the Department receives additional tranches of ERA2 funds from Treasury to be administered for and on behalf of Locality. The Department and Locality shall amend this Agreement, as appropriate, to reflect any additional disbursement of grant funds for Supplemental Administrative Costs.

2. Conditions of Performance

The Department will make all disbursements contemplated under this Agreement after this Agreement has been fully executed, and after the Department receives the following instruments and documents from the Locality, all in form and substance acceptable to the Department:

- A.** An authorizing resolution that, in the Department's reasonable determination, materially comports with the Program Requirements.
- B.** Documentary evidence that the Locality has formally advised Treasury of its intent or instructions to have the Department administer its ERA2 Allocation for Locality and on its behalf. Such documentary evidence shall be submitted in a form that is reasonably satisfactory to the Department.
- C.** Documentation of any Rental Assistance that Locality has already distributed pursuant to ARPA or other federal coronavirus relief. Such documentation shall be submitted in a form that is reasonably satisfactory to the Department.
- D.** A current and complete copy of any rental housing registry maintained by the Locality, or a current and complete copy of a substantially equivalent record.

EXHIBIT B

3. Accounting of Unexpended Funds

The Department shall provide the Locality with a written accounting of any Total Round 2 Funds that are not obligated by **March 31, 2022**. The form and substance of this written accounting shall be determined by the Department in its reasonable discretion.

EXHIBIT D

STATE RENTAL ASSISTANCE PROGRAM – Round 2
GENERAL TERMS AND CONDITIONS

1. Effective Date, Term of Agreement, Timing, and Deadlines

- A. This Agreement, when fully executed by the Department and the Locality, is effective upon the date of the Department representative’s signature on the STD 213, Standard Agreement (such date, the “**Effective Date**”).
- B. This Agreement shall terminate **five (5) years** after the Effective Date (such date, the “**Expiration Date**”).

2. Termination for Cause

The Department or the Locality may terminate this Agreement for cause at any time by giving at least fourteen (14) calendar days’ advance written notice to the other party.

Locality shall return any unexpended grant money plus accrued interest to the Department within fourteen (14) calendar days of the date on the written notice of termination, unless (i) the parties have agreed upon an alternate arrangement in advance and in writing; or (ii) an alternate arrangement is necessary for one or both parties to remain in compliance with the ERA2 or applicable law.

Cause shall consist of either party’s violation of the Program Requirements, material breach of the Agreement, or failure to satisfy any of the terms or conditions of this Agreement.

3. Cancellation

- A. It is mutually understood between the parties that this Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made.
- B. This Agreement is valid and enforceable only if sufficient funds are made available to the State of California by the United States Government for fiscal years 2021-2022 through 2025-2026 for the purpose of emergency rental assistance. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this Agreement in any manner.

EXHIBIT D

- C. The parties mutually agree that if the Congress does not appropriate sufficient funds for the ERA2, this Agreement shall be amended to reflect any reduction in funds.
- D. The Department has the option to invalidate the Agreement under this cancellation clause or to amend the Agreement to reflect any reduction in funds.
- E. The Department may cancel this Agreement, in whole or in part, if **(i)** sufficient funds are not made available by the United States Government; **(ii)** Congress enacts any restrictions, limitations, or conditions that impact this Agreement or the funding of this Agreement; or **(iii)** cancellation is otherwise permitted under state contracting law.
- F. To cancel this Agreement pursuant to this paragraph, the Department shall give thirty (30) calendar days' advance written notice to the Locality. The Department shall return any undisbursed funds, and Locality shall return any unexpended grant money, to the Treasury within fourteen (14) calendar days from the date on the Department's written notice of termination, unless **(i)** the parties have agreed upon an alternate arrangement in advance and in writing; or **(ii)** an alternate arrangement is necessary for one or both parties to remain in compliance with the ERA2 or applicable law.

4. Termination Without Cause

The Department may terminate this Agreement at any time, without cause, by providing thirty (30) calendar days' advance written notice to Locality. The Department shall return any undisbursed funds, and Locality shall return any unexpended grant money, to the Treasury within fourteen (14) calendar days from the date on the Department's written notice of termination, unless **(i)** the parties have agreed upon an alternate arrangement in advance and in writing; or **(ii)** an alternate arrangement is necessary for one or both parties to remain in compliance with the ERA2 or applicable law.

5. Entire Agreement; Severability

This Agreement constitutes the entire agreement between the Department and the Locality. All prior representations, statements, negotiations and undertakings with regard to the subject matter hereof are superseded hereby. In the event any term or provision of this Agreement is deemed to be in violation of law, null and void, or otherwise of no force or effect, the remaining terms and provisions of this Agreement shall remain in full force and effect.

EXHIBIT D

6. Waivers

No waiver of any breach, violation of, or default under this Agreement shall be deemed to be a waiver of any other or subsequent breach or violation thereof or default thereunder.

7. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

This Agreement is subject to the administrative requirements, cost principles, and audit requirements for federal awards to non-federal entities, which are set forth at 2 Code of Federal Regulations part 200.

8. Compliance with State and Federal Law

The Department, the Locality, and their respective appointees, employees, contractors, and agents shall comply with all state and federal laws, statutes, regulations, guidelines, and guidance in their performance under this Agreement.

EXHIBIT E

SPECIAL TERMS AND CONDITIONS

1. Locality's ERA2 Allocation and Proportionate SRA2 Share

Treasury has allocated ERA2 funds to Locality in the amount of \$12,702,238.90. This amount is subject to increase if Treasury makes additional tranches of ERA2 funds available.

The Department has apportioned a share of SRA2 Funds to Locality in the amount of \$9,498,946.17. This amount is subject to increase if Treasury makes additional tranches of ERA2 funds available.

2. Grant for Supplemental Administrative Costs

3. Locality informed the Department in writing that it will decline a grant to Locality for Supplemental Administrative Costs.
4. The Locality and any of its contractors, subcontractors, successors, transferees, and assignees shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this Agreement.
5. Statutes and regulations prohibiting discrimination are applicable to this Agreement and include, without limitation, the following:
 - a. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) and Treasury's implementing regulations at 31 CFR Part 22;
 - b. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.);
 - c. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794);
 - d. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.);
 - e. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. § 12101 et seq.); and
 - f. The State of California nondiscrimination statutes, regulations, and standards set forth and identified at Exhibit C of this Agreement.

**Acceptance of an
Update on the Stanislaus Emergency Rental
Assistance Program
and
Authorize Participation in the State Rental
Assistance Program - 2**

October 5, 2021

Tina Rocha, Deputy Executive Officer
Stanislaus County

Linda Del Carlo, Administrative Analyst
Stanislaus Regional Housing Authority

Emergency Rental Assistance Program - Timeline

December 21, 2020

- **Congress passed the Consolidated Appropriations Act of 2021**

- \$25 billion was allocated to the Department of the U.S. Treasury (US Treasury) for the Emergency Rental Assistance Program (ERA) to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic
 - Approximately \$1.1 billion directly to California jurisdictions with populations of 200,000 or more
 - Approximately \$1.5 billion provided to the State of California

Stanislaus Funding Source	Amount	Expenditure Deadline
Federal ERA Program 1 – Allocation	\$10 million	December 31, 2021
State ERA Program 1 - Reservation	\$10.7 million (appx)	September 30, 2021

Emergency Rental Assistance Program - Eligibility & Priority

Eligible Household

1. Household income at or below 80% of the Area Median Income (AMI);
2. Qualifies for unemployment OR has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship due to COVID-19; and
3. Demonstrates a risk of experiencing homelessness or housing instability.

Priority

1. Renter households at or below 50% of AMI
2. Renter households in which one or more household members is unemployed and has been unemployed for 90 days

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
50% AMI	\$ 25,000	\$ 28,550	\$ 32,100	\$ 35,650	\$ 38,550	\$ 41,400	\$ 44,250	\$ 47,100
80% AMI	\$ 39,950	\$ 45,650	\$ 51,350	\$ 57,050	\$ 61,650	\$ 66,200	\$ 70,750	\$ 75,350

Emergency Rental Assistance Program - Timeline

December 21, 2020

- **Congress passed the Consolidated Appropriations Act of 2021**

- \$25 billion was allocated to the Department of the U.S. Treasury (US Treasury) for the Emergency Rental Assistance Program (ERA) to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic
 - The US Treasury issued approximately \$1.1 billion directly to California jurisdictions with populations of 200,000 or more
 - State of California received approximately \$1.5 billion from the US Treasury

January 29, 2021

- **State of California passed the COVID-19 Tenant Relief Act (SB91)**

- Extended COVID-19 impacted tenants eviction protections to June 30, 2021
- Established the State Emergency Rental Assistance Program
 - Limited payment of rental arrears accumulated between April 1, 2020 and March 31, 2021
 - If landlord agrees – accepts 80% as payment in full and waives 20%
 - If landlord does not agree – a maximum of 25% of rental arrears can be paid on behalf of tenant

State Rental Assistance Program 1 – Options

Option	Option A State Administration	Option B Local Administration	Option B (Deferred) Local Administration	Option C State & Local Administration
Funding Source	- Federal ERA Allocation - State ERA Reservation	- Federal ERA Allocation - State ERA Reservation	- Federal ERA Allocation - State ERA Reservation	Local Administration * - Federal ERA Allocation State Administration - State ERA Reservation
Guidelines	State	State	Local & State	Local & State

**Duplication of benefits check is responsibility of local jurisdiction*

Stanislaus ERA Program - Overview

- County and City of Modesto collaborated to develop and implement one, countywide program that launched February 24, 2021 (www.StanRentAssist.Com)
 - **Fiscal Agent/Program Administrator**
 - Stanislaus Regional Housing Authority
 - **Application Intake**
 - Rolling F Credit Union
 - Modesto First Federal Credit Union
 - Organized Labor Credit Union
 - Self-Help Credit Union
 - Mobile Team Outreach
 - **Phone Assistance**
 - United Way of Stanislaus County

Stanislaus ERA Program – Challenges

- No program-wide standard operational guidelines
- The Federal reporting requirements are extensive and exceed requirements for current housing and similar subsidy programs.
- Strict warnings against fraud with agencies responsible to pay back any misspent money
- Non-responsive in submittal of supporting documentation
- Many renter had the impression they did not need to pay rent during the pandemic and resulted in a large number of ineligible application that required staff resources to review.

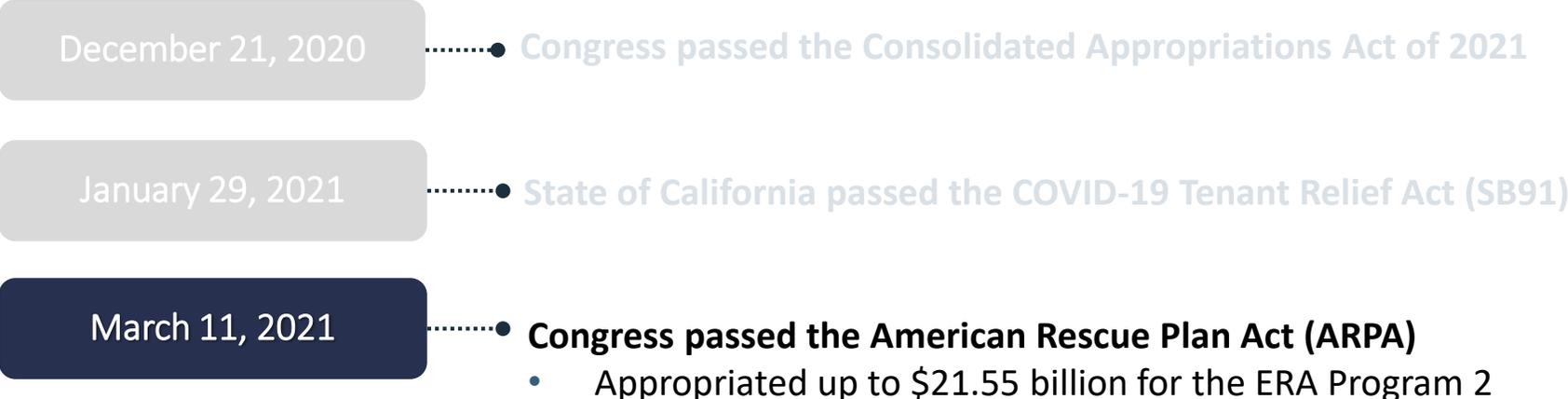
Stanislaus ERA Program – Data

Applications Received	7161	
Duplicate Applications	731	
<hr/>		
Total Actual Applications Received	6430	
<i>In Review</i> (eligibility determination in process)	852	
<i>Applications in Process</i> (incomplete, not yet submitted)	1447	
<i>Waitlist</i> (non-responsive)	0	
<i>Applications Denied</i>	3780	92%
<i>Applications Approved</i>	349	8%
Total Paid on Approved Applications	\$2,394,531*	

* Stanislaus County = \$899,219 on behalf of 128 households

City of Modesto = \$1,495,312 on behalf of 221 households

Emergency Rental Assistance Program - Timeline



Stanislaus County Funding Source	Amount	Expenditure Deadline
Federal ERA Program 2 – Allocation	\$12.7 million	December 31, 2025
State ERA Program 2 - Reservation	\$9.5 million	December 31, 2025

Emergency Rental Assistance Program - Timeline

December 21, 2020

• Congress passed the Consolidated Appropriations Act of 2021

January 29, 2021

• State of California passed the COVID-19 Tenant Relief Act (SB91)

March 11, 2021

• Congress passed the American Rescue Plan Act (ARPA)

- Appropriated up to \$21.55 billion for the ERA Program 2

June 2021

• **State of California passed Assembly Bill 832**

- Made several important changes to the State's ERA 1 Program and established the program for administering the State's ERA Program 2 funds.
 - Addressed many of the programmatic elements that contributed to the County and Modesto initially selecting Deferred Option B
 - Increased rental arrears to 100%
 - Extended expenditure deadline for Round 1 funding from December 31, 2021 to September 30, 2022

State Rental Assistance Program 1 - Reservation

February 23, 2021

Board of Supervisors approved a resolution authorization participate in the State Rental Assistance Program – 1 Reservation (Option B Deferred)

August 31, 2021

Board of Supervisors authorized the Department of Housing & Community Development to administer State of California’s Rental Assistance Program - 1 Reservation for Stanislaus County in the approximate amount of \$10.7 million (**Option C**)

Option	Option A State Administration	Option B Local Administration	Option B (Deferred) Local Administration	Option C State & Local Administration
Funding Source	- Federal ERA Allocation - State ERA Reservation	- Federal ERA Allocation - State ERA Reservation	- Federal ERA Allocation - State ERA Reservation	Local Administration * - Federal ERA Allocation State Administration - State ERA Reservation
Guidelines	State	State	Local & State	Local & State

State Rental Assistance Program 1 - Data

Data as of September 30, 2021

Total Active Cases	1,160
Total Funds Requested	\$ 12,440,895
Total funds Approved (applicant notified)	\$ 2,872,261
Total Funds Paid	\$ 218,982 for 24 households

Federal and State Emergency Rental Assistance Program – 2

State Rental Assistance Program 2 - Options

Option	Option A State Administration	Option B Local Administration	Option C Hybrid Administration
Funding Source	- Federal ERA Allocation - State ERA Reservation	- Federal ERA Allocation - State ERA Reservation	Local Administration * - Federal ERA Allocation State Administration - State ERA Reservation
Guidelines	State	State	Local & State

Recommend Option A

- Stanislaus County can leverage State resources
- Allow Stanislaus Regional Housing Authority staff to focus efforts on development of new housing units

**Duplication of benefits check is responsibility of local jurisdiction*

ERA Programs - Funding Overview

Funding Source	Amount	Program Administration	Expenditure Deadline
Federal ERA Program 1 – Allocation	\$10 million	Local	December 31, 2022
State ERA Program 1 – Reservation	\$10.7 million (appx)	State	September 30, 2022
Federal ERA Program 2 – Allocation	\$12.7 million	<i>State (pending approval)</i>	December 31, 2025
State ERA Program – Reservation	\$9.5 million (appx)	<i>State (pending approval)</i>	December 31, 2025

Staff Recommendations

1. Accept an update on the Stanislaus Emergency Rental Assistance Program (ERAP)
2. Adopt a Resolution Authorizing Participation in the State Rental Assistance Program - 2
3. Authorize the Chief Executive Officer, or his designee, to negotiate and execute agreements with California Department of Housing and Community Development (HCD) Department related to administering both the State and Federal Emergency Rental Assistance Program - 2 funds on behalf of the County
4. Authorize the Auditor-Controller to make the necessary budget adjustments pursuant to the attached budget journal

Questions?