



**California Emergency Rental Assistance Program
Expression of Intent**

On December 27, 2020, the federal Consolidated Appropriations Act 2021, a \$900 billion COVID-19 relief bill, was signed into law and \$25 billion was allocated to the United States Treasury (UST) for the Emergency Rental Assistance Program (ERAP) to assist households that are unable to pay rent or utilities due to the COVID-19 pandemic. California will receive \$2.6 billion of the federal ERAP funds. To implement these rental assistance resources, the state of California worked with the state Legislature to develop a programmatic framework that eases administrative burden and most effectively deploys these resources to those most in need.

On January 28 the State Senate and State Assembly passed the COVID-19 Tenant Relief Act [SB 91](#), extending eviction protections through June 30, 2021 and creating a mechanism to deploy \$2.6 B in [Federal Emergency Rental Assistance Program](#) (ERAP) resources to assist struggling tenants and landlords impacted by COVID-19.

In an effort to understand how local jurisdictions plan to deploy these rental assistance resources, the state is requesting Counties and Cities with populations of 200,000 and above that are eligible for a direct allocation from the UST to complete an Expression of Intent survey by February 3, 2021. Jurisdictions are encouraged to submit their responses as soon as possible.

By February 12, the same Cities and Counties with populations of 200,000 and above will be required to complete a final Expression of Intent Form submitted to the Department of Housing and Community Development (HCD) indicating:

- A. The Jurisdiction will participate in the State Program and will also direct its Federal Allocation through the State Program to serve its population.
- B. The Jurisdiction requests a State Block Grant and will conform to the State Program Rules when self-administering a combined Federal Allocation and State Block Grant local program.
- C. The Jurisdiction will not conform to the State Program Rules, will self-administer the Federal Allocation, acknowledges that the State will also serve its population via the State Program, and accepts responsibility for duplication of benefits checks between the two programs.

Based on the final Expression of Intent Form, HCD will issue a Standard Agreement to eligible jurisdictions that select A or B to facilitate the transfer of funds either from the jurisdiction to HCD (option A) or from HCD to the jurisdiction (option B).

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Proposed Framework Elements:

The state of California is expected to receive approximately \$2.6 billion in rental assistance for individuals economically impacted by COVID-19. This funding will be split between larger jurisdictions (those with a population of at least 200,000) receiving approximately \$1.1 billion directly from the United States Department of the Treasury (UST) and the remaining \$1.5 billion in funds allocated directly to the state for administration. The state has established a funding reservation table (attachment 1) with estimated allocation amounts for each eligible jurisdiction.

While not a comprehensive list, [key federal requirements](#) include:

- Funds must be used to support eligible households up to 80% Area Medium Income (AMI), with a priority for those up to 50% AMI and those who have been unemployed for 90 days prior to the date of application, with funding focused to ensure rental arrears are addressed to stabilize households and prevent evictions.
- 90% of funds must be used to provide financial assistance, including back and forward rent and utility payments and other housing expenses.
- Payments should be made directly to landlords or utility companies on behalf of renters; if a landlord refuses to accept the rental assistance the assistance may be provided directly to the tenant.
- The UST is required to recapture excess funds not obligated by September 30, 2021 and will re-obligate them to jurisdictions that have met obligation targets. Programs must be established to avoid duplication of federal rental assistance benefits to households.

California COVID-19 Tenant Relief Act [SB 91](#)

- SB 91 extends the state's current eviction moratorium for tenants unable to pay rent due to COVID-related financial hardships, as established under AB 3088, by 5 months, from January 31, 2021 until June 30, 2021.
- Tenants must continue to pay 25% of their rental obligations, as required under AB 3088, through June 30, 2021. During this time, if tenants continue to pay at least 25% of their rent, then they are protected from eviction for any unpaid rent that has accumulated through June 30 and it can never be used as the basis for eviction. The 25% may be paid monthly, or as a lump sum, by June 30, 2021.

SB 91 also establishes required elements for the state rental assistance program. Though not comprehensive, the list below highlights some of the key program parameters:

- The rental assistance program will provide eligible landlords with immediate relief through the payment of 80% of their tenants' rental arrears accumulated between April 1, 2020 and March 31, 2021. Landlords, in turn, agree to accept this payment as payment in full of any unpaid rent for that period.
- In cases where a landlord chooses not to participate, an eligible tenant may apply to the program for 25% of their rental arrears, which will be paid to the

landlord. The program also allows for prospective payments of 25% of monthly rent for the months of April, May, and June.

- Establishes a requirement for funds to be administered in at least three rounds, prioritizing: (1) Below 50% AMI or unemployed for 90 days; 2) Below 80% AMI and in a community disproportionately impacted by Covid-19; 3) Below 80% AMI and not addressed by rounds 1 – 2.
- For purposes of stabilizing households and preventing evictions, rental arrears shall be given priority.

Proposed Implementation Model

Last year, AB 3088 included a provision requiring the California's Business, Consumer Services and Housing Agency to conduct a stakeholder engagement process to ensure the state is ready to implement future federal relief. As part of this stakeholder process as well as ongoing workshops and listening sessions, the Agency learned a great deal both from stakeholders and other state and local partners which has informed our administrative framework on how to most effectively deploy these resources. Key tenants of this implementation model include:

- Ability to meet the new federal AMI targets within a rapid implementation timeframe.
- Desire for consistent treatment of landlords and tenants throughout the state to support equity of distribution as well as clarity of messaging.
- Balancing the need of fraud prevention and controlling duplication of benefits with the need to be flexible and provide landlords and tenants with multiple methods to verify eligibility.
- Ensuring the state allocation is directed equitably across the state and is expended in alignment with direct UST allocations.
- Structuring a program to provide local, regional and community facing outreach to encourage participation and support applicants.
- Recognition that there are many competing priorities locally and that many jurisdictions could benefit from having a central solution that removed the administrative and logistical burden to managing this program.
- Provide flexibility in the model to account for local jurisdictions' preference and needs.

Accordingly, the State of California will be utilizing its allocation of federal rental assistance resources as follows:

- A. Create a **State Rental Assistance Program** managed centrally by a Community Development Financial Institution (CDFI) to serve counties with populations under 200,000 and the cities within those counties. Ensure equitable distribution by providing these jurisdictions a state reservation based on population. UST funds administered through the program will be expended solely within each participating jurisdiction.

- B. If requested, **Block grant** a portion of the state's direct allocation of funds (based on a jurisdiction's share of statewide population) to direct allocation jurisdictions over 200k in population that wish to administer their share of state block grant funds, as well as their share of funds allocated directly from the UST, in a manner consistent with state and federal law.
- C. For Jurisdictions that wish to operate their own rental assistance program with funds provided directly by the UST in a manner that does not align with the State program, they will be able to do so, but their share of block grant funds will be administered by the state on their behalf through the state's rental assistance program and controlling for duplication of benefits will fall to the jurisdiction.

Jurisdictions are encouraged to opt-in to the state administered Rental Assistance Program. Given the one-time nature of these funds, rapid implementation timeframes, programmatic complexity, among other considerations, the State believes that a centralized administrative structure would be most effective in deploying these resources in an effective and compliant manner. As part of the State's Rental Assistance Program, resources will be available to provide robust multi-lingual technical support, IT, and communications capabilities needed to ensure the success of such a program, including support to ensure compliance with the program requirements provided under federal law, such as the prohibition of the duplication of benefits. Such a solution removes a local jurisdiction's administrative burden and risk while also providing ownership, partnership, and communications tailored to local jurisdictions who can utilize existing channels to refer constituents to the central application.

If a jurisdiction is not interested in the state CDFI program, the state would encourage requesting the block grant and implementing the direct federal funds in accordance with the state block grant program to enable braiding of the funds to provide consistency to landlords and tenants across the state.

To support the implementation of ERAP, the State will also create a robust **statewide public education and outreach campaign** to reach hardest hit communities with culturally sensitive messaging to deepen awareness of rental assistance resources and eviction protections.

A. State Rental Assistance Program

As part of the State's efforts to provide coordinated relief, jurisdictions and Federally-recognized tribal nations may allocate their direct share of federal assistance to the state and opt into the State's Rental Assistance Program. The State will supplement jurisdictions' resources by reserving a portion of the State's direct share of resources for each jurisdiction that elects to have the State administer their rental assistance on their behalf. A set-aside of \$150 million will be created for counties with populations under 200,000 and the cities within those counties that roughly doubles the state allocation share in order to compensate for them not receiving a direct federal allocation. Within this pool funds will be reserved at the County level to be administered through the State's Rental Assistance Program.

All jurisdictions seeking to claim their State Reserved Funds by opting-in to the State's Rental Assistance Program are encouraged to submit an [Expression of Intent Survey](#) to the Department of Housing and Community Development (HCD) by February 3, 2021. The final Expression of Interest Form (attachment 2) will be required by February 12 and will initiate a Standard Agreement Process with HCD.

In order to opt-in to the State's Rental Assistance Program, jurisdictions do not need to apply to the UST for a direct federal allocation. If the jurisdiction did NOT apply to the UST for direct federal allocation by the January 12 deadline, these funds will roll into the state's direct allocation and the amount the jurisdiction would have received directly will be added to that jurisdiction's reservation amount. If the jurisdiction has already applied, they may sign a reimbursement agreement with HCD, allowing HCD to administer the jurisdiction's direct federal funding in addition to the jurisdiction's allocation of state administered funding.

Features of the State Rental Assistance Program:

- State outreach and education campaign with adaptability for local messaging.
- Standardized, federally consistent application and eligibility criteria, accessible to both landlords and tenants.
- Contracted solution with a state-wide network, including rural areas.
- Robust, multi-lingual client support and technical assistance.
- Processing of Applications (input, review, verification, fraud control, notifications to tenant and landlord, verification of accounts, disbursement of payment, reporting per state and federal government requirements, downstream audit management).
- Central privacy protections and fraud control.
- Management of duplication of benefits in accordance with the Consolidated Appropriations Act, 2021.
- Application portal will open in early March 2021 to begin receiving applications from landlords and tenants.

B. Block Grant Option

Under the proposed framework, counties and cities with populations over 500,000 are eligible to request their state reservation amount through a block grant. Cities and Counties with populations between 200,000 and 499,999 are also eligible to request a block grant, but must attest that they have the capability to implement the resources within the parameters established by federal and state law. All counties that receive a block grant must also attest that they will distribute assistance equitably and consistent with demonstrated need within the jurisdiction. The size of the block grant is based on a jurisdiction's proportionate share of statewide population, as set by the State Reservation Table (attachment 1).

All eligible jurisdictions are encouraged to complete the survey by February 3, 2021, but must submit the Expression of Interest Form to HCD by February 12, 2021 to be eligible

for a Block Grant attachment 2). Jurisdictions are highly encouraged to submit their preference as soon as possible and before the deadline.

Contract Requirements

Participation in the state administered Rental Assistance Program through the acceptance of a block grant will require a standard agreement with the HCD. Agreements will include performance milestones for obligation and funding liquidation as conditions of ongoing funding.

Funding provided through the State Block Grant will be subject to the same reporting and verification requirements as provided under state and federal law. This includes quarterly reporting requirements, income verification, prioritizing direct payments to landlords and utility providers before directing funds to tenants, prioritizing arrears, validating tenancy, prioritizing households at 50% or less of Area Median Income (AMI), as determined by the Department of Housing and Urban Development, complying with tenant and landlord notification requirements, and all other programmatic requirements in the bill. Participating jurisdictions will be required to meet all of the personal identifying information protections identified in the bill. Further, recipients of Block Grants must also conform their UST allocation to the State Program rules in order to be eligible for a Block Grant.

8.5% of the 10% Administration Fee allowable under federal law will be passed through to the Jurisdiction to support implementation.

C. Non-Conforming Local Implementation of Federal Allocation.

If a Direct Allocation Jurisdiction will not conform to State Program rules, but chooses to self-administer the Federal Allocation, the State will still serve its population via the State Rental Assistance Program but will look to the local jurisdiction to ensure there is no duplication of benefits checks between the two programs.

Attachment 1: State Reservation Table

DRAFT - Federal Coronavirus Relief Funds State Rental Assistance Reservation Table

	Direct Federal ^{1,3}	State ^{2,3,5}	Total
County/City Pop > 200,000	Estimated Allocation	Estimated Allocation	Estimated Direct Federal and State Allocation
Alameda	\$29,648,131.05	\$31,908,572.69	\$61,556,703.74
Fremont	\$7,168,619.03	\$7,715,171.02	\$14,883,790.06
Oakland	\$12,874,763.67	\$13,856,365.24	\$26,731,128.91
Butte	\$6,516,780.44	\$7,013,634.75	\$13,530,415.19
Contra Costa	\$34,296,331.30	\$36,911,162.41	\$71,207,493.71
Fresno	\$13,900,330.20	\$14,960,123.31	\$28,860,453.51
Fresno	\$15,804,677.66	\$17,009,662.61	\$32,814,340.27
Kern	\$15,343,270.84	\$16,513,077.07	\$31,856,347.91
Bakersfield	\$11,421,297.99	\$12,292,084.00	\$23,713,381.99
Los Angeles	\$160,073,410.74	\$172,277,775.41	\$332,351,186.14
Long Beach	\$13,754,733.88	\$14,803,426.40	\$28,558,160.28
Los Angeles	\$118,319,705.78	\$127,340,672.03	\$245,660,377.81
Santa Clarita	\$6,332,235.55	\$6,815,019.74	\$13,147,255.29
Marin	\$7,695,346.48	\$8,282,057.38	\$15,977,403.86
Merced	\$8,255,908.64	\$8,885,358.09	\$17,141,266.74
Monterey	\$12,905,387.36	\$13,889,323.75	\$26,794,711.11
Orange	\$65,576,556.30	\$70,576,263.64	\$136,152,819.94
Anaheim	\$10,416,959.93	\$11,211,172.89	\$21,628,132.81
Irvine	\$8,544,930.86	\$9,196,416.02	\$17,741,346.88
Santa Ana	\$9,880,391.27	\$10,633,695.01	\$20,514,086.28
Placer	\$11,843,012.94	\$12,745,951.47	\$24,588,964.41
Riverside	\$57,267,219.73	\$61,633,404.15	\$118,900,623.88
Moreno Valley	\$6,334,495.16	\$6,817,451.63	\$13,151,946.79
Riverside	\$9,851,908.27	\$10,603,040.40	\$20,454,948.67
Sacramento	\$30,874,446.26	\$33,228,384.99	\$64,102,831.25
Sacramento	\$15,270,933.53	\$16,435,224.59	\$31,706,158.12
San Bernardino	\$52,023,225.20	\$55,989,595.44	\$108,012,820.64
Fontana	\$6,378,854.91	\$6,865,193.47	\$13,244,048.38
San Bernardino	\$6,415,633.07	\$6,904,775.68	\$13,320,408.75
San Diego	\$48,819,125.14	\$52,541,207.42	\$101,360,332.55
Chula Vista	\$8,101,660.39	\$8,719,349.60	\$16,821,009.99
San Diego	\$42,333,563.02	\$45,561,171.14	\$87,894,734.16
San Francisco	\$26,209,982.75	\$28,208,292.06	\$54,418,274.81
San Joaquin	\$13,362,958.79	\$14,381,781.47	\$27,744,740.26
Stockton	\$9,297,024.87	\$10,005,851.41	\$19,302,876.28
San Luis Obispo	\$8,417,381.71	\$9,059,142.23	\$17,476,523.94
San Mateo	\$22,791,546.59	\$24,529,226.48	\$47,320,773.07
Santa Barbara	\$13,275,190.70	\$14,287,321.75	\$27,562,512.45
Santa Clara	\$26,938,648.15	\$28,992,512.59	\$55,931,160.74
San Jose	\$30,379,739.89	\$32,695,961.07	\$63,075,700.97

Santa Cruz	\$8,123,096.98	\$8,742,420.56	\$16,865,517.53
Solano	\$13,309,203.81	\$14,323,928.09	\$27,633,131.90
Sonoma	\$14,697,467.79	\$15,818,036.51	\$30,515,504.30
Stanislaus	\$9,973,927.32	\$10,734,362.46	\$20,708,289.77
Modesto	\$6,398,150.81	\$6,885,960.53	\$13,284,111.34
Tulare	\$13,860,786.99	\$14,917,565.24	\$28,778,352.22
Ventura	\$18,942,832.74	\$20,387,077.84	\$39,329,910.58
Oxnard	\$6,210,394.89	\$6,683,889.67	\$12,894,284.56
Yolo	\$6,555,847.94	\$7,055,680.85	\$13,611,528.79
Total County/City > 200,000	\$1,112,988,029.30	\$1,197,844,794.21	\$2,310,832,823.51
County Pop < 200,000		\$150,000,000 ⁴	
Alpine		\$81,501.34	\$81,501.34
Amador		\$2,869,655.61	\$2,869,655.61
Calaveras		\$3,313,834.29	\$3,313,834.29
Colusa		\$1,555,455.56	\$1,555,455.56
Del Norte		\$2,007,719.41	\$2,007,719.41
El Dorado		\$13,921,135.97	\$13,921,135.97
Glenn		\$2,049,661.19	\$2,049,661.19
Humboldt		\$9,785,791.29	\$9,785,791.29
Imperial		\$13,081,722.72	\$13,081,722.72
Inyo		\$1,302,216.68	\$1,302,216.68
Kings		\$11,040,579.82	\$11,040,579.82
Lake		\$4,647,958.50	\$4,647,958.50
Lassen		\$2,207,033.13	\$2,207,033.13
Madera		\$11,357,272.80	\$11,357,272.80
Mariposa		\$1,241,866.71	\$1,241,866.71
Mendocino		\$6,262,320.25	\$6,262,320.25
Modoc		\$638,222.61	\$638,222.61
Mono		\$1,042,697.36	\$1,042,697.36
Napa		\$9,943,596.36	\$9,943,596.36
Nevada		\$7,201,209.89	\$7,201,209.89
Plumas		\$1,357,657.81	\$1,357,657.81
San Benito		\$4,534,044.31	\$4,534,044.31
Shasta		\$12,999,788.25	\$12,999,788.25
Sierra		\$216,927.83	\$216,927.83
Siskiyou		\$3,143,035.21	\$3,143,035.21
Sutter		\$7,000,235.82	\$7,000,235.82
Tehama		\$4,698,346.39	\$4,698,346.39
Trinity		\$886,841.40	\$886,841.40
Tuolumne		\$3,932,710.26	\$3,932,710.26
Yuba		\$5,678,961.25	\$5,678,961.25
Total County Pop < 200,000		\$150,000,000.00	\$150,000,000.00
Total County/City		\$1,347,844,794.21	\$2,460,832,823.51
State Administration		\$149,760,532.69	\$149,760,532.69
Grand Total	\$1,112,988,029.30	\$1,497,605,326.90	\$2,610,593,356.20

¹ Estimated direct federal allocation for local governments with populations over 200,000 based on 2019 US census data.

² Estimated state allocation methodology for local governments is based on 2019 US census data.

³ Adjusted population reflects total county less population for cities that exceed 200,000.

⁴ Reflects a carve-out of \$150 million for counties with a population below 200,000 to account for smaller counties that did not receive a direct federal allocation. Allocation distribution is based on population percent-to-total for the \$150 million set-aside.

⁵ Assumes an estimated 1.50 percent state administrative carve-out prior to state allocation distribution.

Attachment 2: Example of Expression of Interest Form

The following information is an example of the information that will need to be submitted to the Department of Housing and Community Development by February 12, 2021. The final form will be made available after the Expression of Intent Survey closes on February 3. For questions, please write to: housing@bcsh.ca.gov.

City or County?	A) City B) County
If a City, what County does your City Reside in?	
Name of City/County	
Contact (Name, Phone, Email)	Name) Phone) Email
Secondary Contact	Name) Phone) Email
What is the size of the Population you Serve?	A) Over 500,000 B) Between 200,000 and 499,999 C) Under 200,000
<i>If your population is over 500,000:</i>	A) Opt-In to State Rental Assistance Program (Direct Federal Allocation + State Reservation Amount) -or- B) Request State Reservation Amount via Block Grant and attest local implementation of Direct Federal Allocation will conform to State Requirements. -or- C) Will not be conforming Direct Federal Allocation to State Program; Acknowledge that the State will still Serve Jurisdictions' Population through the State Program but Jurisdiction assumes responsibility for Duplication of Benefits
<i>If your population is over 500,000 and you are Requesting a Block Grant, do you currently have an existing rental assistance program?</i>	A) Yes, the county/city I represent has an existing rental assistance program B) No
<i>If your population is over 500,000, you opted into the State Program and you already requested a UST distribution, what was the value received?</i>	\$

<p><i>If your Population is Between 200,000 – 499,999:</i></p>	<p>A) Opt-In to State Rental Assistance Program Direct Federal Allocation + State Reservation Amount -or- B) Request State Reservation Amount via Block Grant and attest local implementation of Direct Federal Allocation will conform to State Requirements AND Complete Attestation Form that City/County has an existing rental assistance program and will be able to meet all program requirements. -or- C) Will not be conforming Direct Federal Allocation to State Program; Acknowledge that the State will still Serve Jurisdictions' Population through the State Program but Jurisdiction assumes responsibility for Duplication of Benefits</p>
<p><i>If your population is between 200,000 and 499,999 and you are Requesting a Block Grant, do you currently have an existing rental assistance program?</i></p> <p><i>If your population is between 200,000 and 499,999, you opted into the State Program and you already requested a UST distribution, what was the value received?</i></p>	<p>B) Yes, the county/city I represent has an existing rental assistance program that is capable of meeting the state and federal program requirements.</p> <p>B) No</p> <p>\$</p>