



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Ragan Henninger
Jim Shannon
Lee Wilcox

SUBJECT: SEE BELOW

DATE: March 17, 2021

Approved

Date

3/18/2021

SUBJECT: CITY'S COVID-19 RESPONSE: EMERGENCY RENTAL ASSISTANCE PROGRAM

RECOMMENDATION

- (a) Accept the staff report on the Emergency Rental Assistance program.
- (b) Adopt a resolution:
 - (1) Accepting \$30,379,739.90 in Emergency Rental Assistance funds from the U.S. Department of the Treasury and ratifying the City Manager's signing of the award terms;
 - (2) Authorizing the City Manager to negotiate and execute the following agreements, including any amendments and revisions to said agreements and any necessary documents to effectuate the grant, to use Emergency Rental Assistance Funds to provide assistance to San José tenants and landlords who have been negatively impacted by the COVID-19 pandemic:
 - i. With Sacred Heart Community Service, a grant agreement in an amount not to exceed \$12,805,942 to provide rental assistance, utility relief, and other eligible housing assistance to San José residents, as well as to fund case management and outreach efforts to connect San José residents with rental assistance, utility relief, and other housing assistance.
 - ii. With the County of Santa Clara, a grant agreement in an amount not to exceed \$17,573,798 to administer payments for rental assistance, utility relief, and other eligible housing assistance to San José residents being served by the Santa Clara County Homelessness Prevention System grassroots partners.
 - iii. With the State of California Department of Housing and Community Development, a Memorandum of Understanding to enable San José tenants and landlords to access federal rental relief funds that will be disbursed through the state program.
- (c) Adopt the following Funding Sources Resolution and Appropriation Ordinance amendments in the Emergency Reserve Fund:
 - (1) Increase the estimate for Revenue from Federal Government by \$30,379,740; and
 - (2) Establish the Emergency Rental Assistance appropriation to the City Manager's Office in the amount of \$30,379,740.

OUTCOME

City Council approval of this item will allow the Administration to execute agreements and disburse funds to the Santa Clara County Homelessness Prevention System, led by Destination: Home and Sacred Heart Community Service, to launch a new phase of rental relief and financial assistance in coordination with Santa Clara County. This program will prioritize our most vulnerable residents who have been hardest hit by COVID-19 pandemic and the pandemic-induced recession. It will focus efforts on extremely low-income renters with incomes below 30 percent of the Area Median Income who do not have traditional rental or lease agreements and are at high risk of displacement and homelessness.

In addition, entering a Memorandum of Understanding with the State of California will allow eligible San José landlords and tenants to access rental assistance through the State's CA COVID-19 Rent Relief program.

BACKGROUND

On Feb. 9, 2021¹, the City Council provided direction to the Administration for implementing the \$30.38 million in federal Emergency Rental Assistance funds that the City of San José received directly from the U.S. Department of Treasury. This direction took into account the State's action under Senate Bill 91 (SB 91), which both extended statewide eviction protections through July 1, 2021 and outlined how the State would implement the \$1.5 billion in Emergency Rental Assistance funds it received from Treasury.

On Feb. 9, the City Council approved the program design for deploying the rental assistance funds, including approval of a memorandum from Councilmember Esparza². The Council approved pursuing a Hybrid program under SB 91 (the State's "Option C").

Under the Hybrid program/Option C, the City would administer a local program with the \$30.38 million we have received directly from the federal government. The State would administer the \$33 million allocated for San José landlords and tenants.

Council further approved:

- Prioritizing the City's most vulnerable, extremely low-income renters (earning less than 30% of the Area Median Income) for assistance;
- Working in partnership with Santa Clara County, which also received direct funds and endorsed a Hybrid program, so there is one local program countywide;
- Building on the existing countywide Homelessness Prevention System and the COVID-related financial assistance and rental relief it provided in 2020; and

¹ See February 9, 2021 staff report: <https://sanjose.legistar.com/View.ashx?M=F&ID=9161966&GUID=041DCE11-F956-4E5B-BF9E-27385005E9AD>

² Esparza memorandum: <https://sanjose.legistar.com/View.ashx?M=F&ID=9169395&GUID=627B0297-EAEA-44CD-8FAB-9964CBFA7C97>

- Continuing grassroots, multilingual outreach, application assistance, and case management to ensure the most vulnerable residents can access rental relief.

Rental Relief: The Need

It is difficult to quantify the true scope of back rent due in San José. A January 2021 report from PolicyLink and Housing Now projects that 37,305 households in Santa Clara County owe a combined \$173.5 million in back rent. Of these households, 22,269 low-income households owe a projected \$84.3 million.

As of January 26, 2021, the City had dedicated more than \$25 million to support rental assistance for property owners and tenants impacted by COVID-19 and the resulting recession, prioritizing extremely low-income households. Some nonprofit partners are still distributing funds under the City program.

In the largest effort, the Santa Clara County Homelessness Prevention System, led by Sacred Heart Community Services and Destination: Home, pivoted to focus on COVID-19 relief. The program partnered with more than 70 nonprofits and grassroots partners who provided intake and case management, and distributed direct assistance to residents and landlords.

Table 1: 2020 Homelessness Prevention System Rental and Financial Assistance

	SANTA CLARA COUNTY HOMELESSNESS PREVENTION SYSTEM	SPECIAL ASSISTANCE PROGRAMS		
		COVID-19 Financial Assistance Program: Phase 1	COVID-19 Financial Assistance Program: Phase 2	COVID-19 Emergency Homelessness Prevention Program (Phase 3)
Dates	Mar. 1 - Present	Mar. 23 - June 30	May 22 - Sep. 30	Oct. 1 - Jan. 31
Assistance Disbursed	\$4.8 Million	\$11.1 Million	\$9.2 Million	\$10.8 Million
HHs served	1,453 Households	4,043 Households	7,847 Households	1,454 Households
Eligibility	Low income (80% AMI or lower) residents with a high risk of becoming homeless (scored 8 or higher on the Prevention VI-SPDAT)	Low income (80% AMI or lower) residents who lost income as the result of a COVID-19 impact.	Extremely Low Income (30% AMI or lower) residents with a COVID-19 impact and who were not eligible to receive unemployment or stimulus.	Extremely Low Income (30% AMI or lower) residents with a COVID-19 impact. Priority for those who did not receive unemployment benefits
Type and Amount of Assistance	Type and amount amount of assistance is customized to meet the household's needs. Average household received ~\$3,000 in assistance.	Direct financial assistance. A \$2600 flat payment per household, w/ supplemental gift cards for families with children	Direct financial assistance. A \$1000 or \$2000 flat payment per household (amount based on # of eligible adults in household)	Rent payments and direct financial assistance, with the amount varying based on the household's level of need. Average household received ~\$7500 in assistance.

**Data as of February 10, 2021*

Source: Destination: Home

The program reached households throughout the County with the highest needs seen in San José. Of the households served in 2020:

- 77% of households served were Extremely Low Income;
- 68% of households included children;
- 94% of households identified as people of color; and
- One third of the funding went to households in five highly impacted east/central San José zip codes (95111, 95112, 95116, 95122 and 95127).

ANALYSIS

2021 Program Design: Building on the Success of the Homelessness Prevention System and Prioritizing Equity

As approved by Council on February 9, 2021, the City plan is to build on the success of the 2020 effort, in partnership with the County and the countywide Homelessness Prevention System. The federal Emergency Rental Assistance funds will be used to provide homelessness prevention services including rental assistance, utility assistance, and case management.

The 2020 program was successful in getting rental and financial assistance to the San José zip codes hardest hit by COVID-19 and pandemic-related job loss. These neighborhoods are the same neighborhoods that have experienced historic inequity and systemic racism. By working with trusted grassroots partners and listening to community members, the Homelessness Prevention System partners will continue to reach community members in greatest need. We will center equity and continue to evolve the outreach, application assistance, and case management efforts to ensure we are reaching residents in greatest need.

Launched in 2017, the Homelessness Prevention System is comprised of 15 community-based organizations and dozens of additional community groups and non-profits that have been added to the network to respond to the COVID-19 pandemic.

While the 2020 program was successful, the partners are eager to make improvements. In partnership with the City Office of Racial Equity, Destination: Home and Sacred Heart convened listening sessions with community partners and conducted surveys of program participants to help guide improvements in 2021 that will better serve the most vulnerable residents. As a result of feedback, for example, the partners are exploring technology tools that can streamline the application process for case managers.

This countywide effort will prioritize extremely low-income households that earn less than 30 percent of the Area Median Income. It will target outreach to those most at risk of displacement and those who have the least ability to access the statewide program:

- Neighborhoods disproportionately impacted by COVID-19 and the pandemic-induced recession;

- Households without traditional leases, including individuals or families who are renting a room or a garage;
- Households without access to technology;
- Communities of color, who have had the highest rates of illness and job loss from the pandemic.

Below is a summary of the factors that helped inform the design of the implementation strategy:

1. Prioritize the lowest-income and most vulnerable residents. The Homelessness Prevention System would prioritize Extremely Low Income (ELI) households across the County that are hard to reach, do not have traditional rental agreements, and are generally at imminent risk of becoming homeless. In Phase I of last year's effort, which used an online application, all funds were spoken for within three days of program launch. This left out those that were not connected to systems and those that lacked digital literacy. Using the existing Homelessness Prevention System will prioritize those most in need and will not be based on a first-come, first-serve basis.
2. Provide enough assistance to help people stay housed and meet basic needs. Phases I and II of 2020 rental relief efforts focused on small amounts of funding being provided quickly but did not solve the challenges with rent. The ELI residents served during Phase III have seen their incomes drop by two-thirds since the beginning of the pandemic. In addition, the average ELI recipient earned \$1,000 a month, while the average rent is \$1,700, and had an average of \$5,000 in back rent. Even with tenant protections in place, people took extraordinary steps to pay their rent and, in some cases, took out loans from family members and/or predatory or payday lenders, as well as cut back on other critical basic needs in order to pay their rent.
3. Take intentional steps to reach underserved communities and people of color: Leveraging the successful grassroots efforts, Destination: Home is proposing to focus on small grassroots partners who have trusted relationships with underserved communities and can help with access. In addition, this collective effort will ensure there are multiple access points for residents to seek assistance.
4. Avoid onerous requirements and ensure flexibility while still complying with federal requirements: The City has been coordinating with the County Office of Supportive Housing on the design of the implementation strategy, and participated in listening sessions with partners and program participants. This investment of time in the initial roll out of the program will ensure a consistent application of requirements, result in less confusion in the community and reduce reporting burden on our local service providers. Specifically, the program is designed to serve residents without formal leases, those that are in other non-traditional living situations, includes a self-certification process to verify income for people paid in cash, and includes flexible options for participants to submit paperwork and their signature for those who may not have access to technology.

This strategy centers racial equity and is in accordance with the Council-approved framework for local assistance and the corresponding Community and Economic Recovery Objectives:

- Invest in our most vulnerable residents, small businesses, and nonprofits;
- Empower our community with resources that build resiliency; and
- Partner to stabilize and improve outcomes for all.

Partners and Roles

The 2021 Emergency Rental Assistance funds will be deployed as a partnership between the City, County, the Homelessness Prevention System, and a network of grassroots partners. Following are the key roles and responsibilities:

- **Sacred Heart Community Service** is the lead agency for the Homelessness Prevention System, and will manage rental assistance funds and coordinate the program partners. Since 2008, the State of California designated Sacred Heart to be the Community Action Agency for Santa Clara County. This designation formalized Sacred Heart's role as a regional leader and conveys a responsibility for developing countywide solutions to poverty. Sacred Heart is experienced in managing federal grant funds, financial assistance programs, and energy assistance programs.
- **Destination: Home** will coordinate partners outside of the Homelessness Prevention System, particularly grassroots partners. Destination: Home has conducted a Request for Qualifications to elicit interest in and evaluate capacity of these partners in working with the 2021 program. The goal is to provide multi-lingual and multi-cultural outreach, application assistance, and case management to the most vulnerable residents in our hardest hit communities.
- **Santa Clara County** will facilitate rental assistance payments for the Destination: Home partners and some Homelessness Prevention System partners. The County has experience with providing direct assistance to residents, as well as with administering significant federal grant funds.
- **City of San José** will provide program monitoring and coordination to ensure that our most vulnerable residents are being reached, as well as grant monitoring and oversight of our direct federal funds.

Overall Program Budget

The preliminary budget outlined in Table 2 reflects both the City's direct allocation of federal funds (\$30.38 million) and the County's direct allocation (\$26.9 million). In addition, these funds leverage more than \$8 million in philanthropic dollars raised by Destination: Home and existing Homelessness Prevention System funding. Destination: Home has set a goal of raising \$20 million in philanthropic funds, which could go to less restricted forms of assistance.

Table 2: Preliminary Program Budget

Source of Funds	City ERA funds	County ERA funds	Total
HPS Partner ERA assistance (administered by Sacred Heart)	\$9,767,968	\$8,661,557	\$18,429,525
Destination: Home Partner ERA assistance (disbursed by Santa Clara County)	\$17,573,798	\$15,583,226	\$33,157,024
Subtotal ERA Assistance	\$27,341,766	\$24,244,783	\$51,586,549
Housing Supports, Case Management, Program Staffing, and Administrative Costs	\$3,037,974	\$2,693,865	\$ 5,731,839
Total ERA Funds	\$30,379,740	\$26,938,648	\$57,318,388

To ensure the program is able to provide much-needed case management, application assistance, and legal services, the program will also be using other government and philanthropic funds. San José previously committed a total of \$5,735,000 in Measure E, and Homeless Housing and Assistance Program (HHAP) funding that can be used for these purposes. In addition, \$3.9 million in previously awarded Measure E and HHAP rental assistance funding remain with these partners and will leverage these new federal dollars.

Local Application Process

The application process will be built out from the existing Homelessness Prevention System program workflow, emphasizing prioritization of the most vulnerable households and flexibility and support for applicants. The first step is screening and triage, assessing the household’s potential eligibility and prioritization based on simple screening questions. Next, an application is completed with the guidance of staff at a network partner organization to obtain required documents, such as identification and income documentation, with as much flexibility as possible in the types of documentation that can be accepted. Additional documentation and information may be requested from the landlord to complete the application and process the rental assistance payment.

Improvements that the partners are still exploring before the program can officially launch include:

- Implementing a technology solution that will make it easier for case managers to assist families with applications and provide required documentation.
- Adding capacity for incoming phone calls.
- Creating a webpage that includes information about the State program and local priority program. This will include a pre-screening tool that will direct a respondent to the appropriate resources, such as hands-on support from grassroots partners or the State program.
- Improving back-office financial systems and payment options.

- Holding information sessions, in partnership with the City and County, for small landlords, operators of deed-restricted affordable housing units, and other key stakeholders.

State Program Coordination and Memorandum of Understanding

The State of California launched the CA COVID-19 Rent Relief program on March 15, 2021. The State has allocated approximately \$62.4 million of these federal funds for assistance in San José and Santa Clara County. These resources are in addition to the direct funds the City and County received from the U.S. Treasury.

As discussed with Council on Feb. 9, the State program is prioritizing rental arrears. The State initially will prioritize households earning up to 50 percent of Area Median Income. Should funds remain, the program will then fund households earning up to 80 percent of Area Median Income.

In addition, SB 91 adds the following requirements for tenants and landlords:

- 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 rent for that covered period.
- 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. The 25 percent is the amount of rent they would need to pay to activate eviction protections under SB 91.
- Qualified tenants will also be able to access funds to cover 25 percent of prospective rent for the months of April, May, and June of 2021, subject to funding availability.

The State's online portal allows for applications to be submitted by both tenants and landlords. Details and the application link will be available at: [Housingiskey.com](https://housingiskey.com). Application assistance is available via a toll-free phone number **833-430-2112**. Applications may be filled out in multiple languages.

Since Feb. 9, the City and County have been working diligently with State officials to coordinate our local program with the State's. In late February, the State notified local jurisdictions that have opted to operate a Hybrid/Option C program of the need to enter into a Memorandum of Understanding around program coordination, including defining protocols to prevent duplication of benefits.

Preventing duplication is a common requirement of federal and state programs, and our partners already have protocols in place to ensure a household seeking assistance through one nonprofit agency does not receive funding for the same or overlapping purpose from a different agency.

Organizations currently providing rental and financial assistance through the Homelessness Prevention System enter client information into the Santa Clara County Homeless Management Information System (HMIS), a secure online database that stores data on all homelessness services provided in Santa Clara County. Santa Clara County uses this data to improve the ability of local organizations to provide access to housing and services and strengthen our efforts to end homelessness. All identifiable information is securely stored within the HMIS, and state-of-the-art security features protect the privacy of all clients. (Note: information from domestic violence agencies is not in HMIS, in accordance with state law.)

In addition to the existing protocols that have successfully ensured assistance is not duplicated among funding sources such as Coronavirus Relief Funds and other federal sources, funding recipients attest under penalty of perjury that they have not received duplicate funds from another program.

On March 16, the City and County reached an agreement in concept with the State:

- Our local program will connect tenants and landlords with traditional rental or lease agreements to the State program for assistance, and
- The State program will connect tenants who are extremely low-income (less than 30% of Area Median Income) and do not have a traditional rental or lease agreement to the local program. The State's application screening tool will enable the tenant applicants to make a connection seamlessly.

The City also committed to send a postcard informing tenants and landlords of the State program for rent-controlled units subject to our Apartment Rent Ordinance, mobile homeowners, and mobile home park owners.

In addition, Destination: Home continues to coordinate meetings with LISC, the agency coordinating the Local Partner Network for the State. We are encouraged at their strategies to partner with local nonprofits and community organizations to reach out to and directly assist tenants with applications. While our local program intends to reach the hardest-to-reach households who are extremely low-income, we know that many residents earning 30-to-50 percent of the Area Median Income also will need help completing applications.

Together with our partners and the County, we will continue to engage with the State and their partners with the goal of developing regular communications, procedures for trouble-shooting complex cases, and safeguards to prevent the duplication of benefits. We are looking forward to having access to State dashboards to understand how San José landlords and tenants are utilizing the State program, particularly those households who are low-income and extremely low-income.

CONCLUSION

We have developed the recommendations outlined in this memo after listening to the community and grassroots partners and in partnership with our colleagues at Santa Clara County. We believe the program approach outlined here centers on racial equity and those most harmed by the pandemic by prioritizing outreach and case management services to enable extremely low-income households who do not have traditional lease arrangements to access the system.

This approach provides the most flexibility to serve San José residents who are most at risk of eviction and displacement, and small-business landlords. We can continue and build on the existing systems and grassroots partnerships that in 2020 provided rental relief and direct financial assistance to 14,000 households across Santa Clara County, 77 percent of whom were extremely low-income, 94 percent of whom were people of color, and one-third of whom live in the five hardest-hit zip codes in San José.

We have a year of experience providing rental relief and direct assistance through trusted partners and a well-established Homelessness Prevention System. We know who is at greatest need in our San José community: extremely low-income households, communities of color, predominantly in East San José, those who have been disproportionately impacted by COVID-19 and the loss of jobs and income.

EVALUATION AND FOLLOW-UP

The Homelessness Prevention System, in partnership with the City and County, plans to release a public dashboard summarizing the progress of the program. The first iteration of the public dashboard is projected to go live in June and will include the number of households served, the amount of funding distributed, the geographic distribution of funds, aggregated demographic information, and the length of time it takes for applications to be processed.

Councilmembers have been provided preliminary information about the State program. As additional resources become available, they will be shared. For the local program, Councilmembers will be provided a toolkit with multi-lingual information to share with constituents via newsletters, social media, and other outreach efforts. Councilmembers are a critical conduit to reaching our most vulnerable residents, and we will provide training and information for Council staff who provide direct constituent assistance to enable Council to help your residents most effectively.

Additional updates on program implementation will be provided to the City Council via informational memorandum, Council committee, and Council meeting, as appropriate.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

With each new phase of funding and programming, Destination: Home and Sacred Heart convened partners to seek input from the nonprofits and their clients. The Administration has participated in those convenings, and the Director of the City Office of Racial Equity has regularly served as facilitator.

In February, program partners surveyed participants about what was working and what wasn't with the 2020, as well as about their current needs and how the program should be designed.

On February 18, two meetings were held to inform nonprofit and grassroots partners about the federal and state requirements and the City Council and Board of Supervisors recommendations to implement a Hybrid program.

On February 25, the Homelessness Prevention System held a Community Forum to provide an update on the 2020 program and plans for 2021. Results from the participant survey were shared at these meetings. In addition, the Administration has participated in conversations with other stakeholders, including legal assistance providers, landlord organizations, and others.

Feedback from these sessions have been critical to program design and the planned improvements discussed in this report. Listening to the community is critical to ensuring that the program meets the needs of those most at risk of displacement and continues to center racial equity.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the Finance Department.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

The recommendations outlined here are in alignment with the Citywide Residential Anti-Displacement Strategy goals to:

- Support equitable COVID-19 recovery and impact mitigation measures for renters and homeowners, and
- Establish new sources of funding for affordable housing and anti-displacement.

COST SUMMARY/IMPLICATIONS

The preliminary program budget and funding breakdown is provided in Table 2 above. Actions are included in this memorandum to recognize and appropriate the Emergency Rental Assistance funding of \$30.4 million in the Emergency Reserve Fund. The Finance/Recovery Section of the EOC and the Housing Department will work to ensure that funds are tracked and spent in accordance with the program’s Federal and State guidelines.

BUDGET REFERENCE

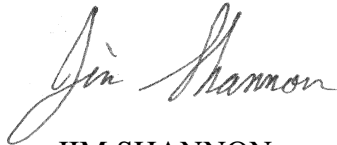
The table below identifies the fund and appropriations to fund the contract recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn	Rec. Budget Action	Amt. for Contract	2020-2021 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
406	R110	Revenue from the Federal Government	\$11,750,000	\$30,379,740	N/A	X-39	10/20/2020, 79744
406	NEW	Emergency Rental Assistance	N/A	\$30,379,740	\$30,379,740	N/A	N/A

CEQA

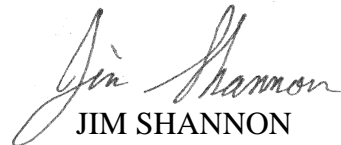
Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

/s/
RAGAN HENNINGER
Deputy Director
Housing Department


JIM SHANNON
Budget Director

/s/
LEE WILCOX
Deputy City Manager and
Emergency Operations
Center Co-Director

I hereby certify that there will be available funding for appropriation in the Emergency Reserve Fund in 2020-2021, monies in excess of those heretofore appropriated therefrom, said excess being at least \$30,379,740.


JIM SHANNON
Budget Director

For questions, please contact Michelle McGurk, Assistant to the City Manager and Assistant Director, Community and Economic Recovery Branch of the EOC, at (408) 535-8254 or Ragan Henninger, Deputy Director, Housing Department at ragan.henninger@sanjoseca.gov.

Attachment A: Federal Program Requirements

ATTACHMENT A

Federal Program Requirements

Federal Emergency Rental Assistance Requirements

It is important to note that Emergency Rental Assistance funds are not as flexible as the CARES Act Coronavirus Relief Funds the City used for Local Assistance, including rental assistance for extremely low-income families. These new funds come with requirements and guidance around attempting to pay landlords directly and only allow funding for rental relief, utility relief, and housing stability services. The current federal funds are only available for rental or utility relief, not help with paying mortgages. However, the American Rescue Plan does include separate funding for mortgage relief.

The City must meet the federal Emergency Rental Assistance program requirements. However, we can set additional priorities or qualifications within those requirements, such as targeting households with income below 30 percent of the Area Median Income (AMI).

In January, the Treasury Department provided high-level program guidance and frequently asked questions (FAQs). On February 22, 2021 and again on March 16, 2021, the Biden Administration updated the FAQs for administering the funds.

Key updates in the new FAQs will make it easier to serve extremely low-income households:

- 1) The timeline and methods for contacting and hearing back from landlords has been compressed from 21 days to 10 days. This will enable the program to serve tenants more quickly.
- 2) The FAQs have provided guidance for when programs can use tenant self-certification to document income and rental needs. This is critical for residents who work in the cash economy and who lack a traditional lease.
- 3) Funds may be used for households residing in motel rooms.

Mobile Homeowners

The March 16, update to the Treasury FAQs makes it clear that the Emergency Rental Assistance funds can help mobile homeowners (who own the mobile home they live in but pay rent for the land on which it is located) with rental arrears.

As the city with the largest number of mobile home parks in California, San José is grateful to the Treasury for providing access to rental assistance for residents of this important form of often-affordable housing.

Other Program Requirements

- Not less than 90 percent of awarded funds must be used for direct financial assistance, including rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing.
- Remaining funds are available for housing stability services, including case management and other services intended to keep households stably housed, and administrative costs.
- Up to twelve months of back rent or utility payments may be paid. Up to three months of forward rent may be paid. Back rent due is to be paid first.
- The preference is for funds to be paid directly to the landlord or utility. If the landlord refuses payment, the tenant may be provided funds to pay rent.
- Rental assistance provided to an eligible household should not duplicate any other federally funded rental assistance provided to the household.
- Funds generally expire on December 31, 2021.

An “eligible household” is defined as a residential renter household in which at least one or more individuals meets the following criteria:

- Qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship due to COVID-19;
- Demonstrates a risk of experiencing homelessness or housing instability; and
- Has a household income at or below 80 percent of the area median.

Priority is to be given to eligible households that include an individual who has been unemployed for the 90 days prior to application for assistance and households with income at or below 50 percent of the area median.

Additional information is available at <https://home.treasury.gov/policy-issues/cares/emergency-rental-assistance-program>.