

RESOLUTION NO.

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE 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; AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AGREEMENTS WITH SACRED HEART COMMUNITY SERVICE, THE COUNTY OF SANTA CLARA, AND THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

**WHEREAS**, on February 9, 2021, the Council of the City of San José (“City”) provided direction to staff for implementing the approximately \$30.38 million in Emergency Rental Assistance funds that the City received directly from the U.S. Department of the Treasury (“Treasury”) and approved pursuing a hybrid program (“Option C”) under the State of California’s Senate Bill 91, which 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 the Treasury; and

**WHEREAS**, the City Council also approved prioritizing the City’s most vulnerable, extremely low-income renters earning less than 30% of the Area Median Income (“AMI”) for assistance, working in partnership with Santa Clara County, which also received direct funds and endorsed a hybrid program, building on the existing county-wide Homelessness Prevention System and the COVID-related financial assistance and rental relief provided in 2020, and continuing grassroots, multilingual outreach, application assistance, and case management to ensure the most vulnerable residents can access rental relief; and

**WHEREAS**, under the Option C program, the City will administer a local program with the \$30.38 million it received directly from the Treasury and the State will administer the \$33 million allocated for San José landlords and tenants; and

**WHEREAS**, the federal Emergency Rental Assistance funds will be used to provide homelessness prevention services including rental assistance, utility assistance, and case management and will be deployed as a partnership between the City, County, the Homelessness Prevention System, comprised of community-based organizations, groups, and non-profits, and a network of grassroots partners; and

**WHEREAS**, Sacred Heart Community Service, the lead agency for the Homelessness Prevention System, will manage rental assistance funds and coordinate the program partners, and Destination: Home will coordinate partners outside of the Homelessness Prevention System, particularly grassroots partners; and

**WHEREAS**, the County will facilitate rental assistance payments for the Destination: Home partners and some Homelessness Prevention System partners; and

**WHEREAS**, on March 15, 2021, the State launched the California COVID-19 Rent Relief program and allocated approximately \$62.4 million of federal funds for assistance in San José and Santa Clara County which are in addition to the direct funds that the City and County received from the Treasury; and

**WHEREAS**, the State's program will prioritize funding rental arrears for households earning up to 50 percent of AMI and then for households earning up to 80 percent of AMI if funds remain; and

**WHEREAS**, the City must enter into a Memorandum of Understanding ("MOU") with the State to prevent duplication of benefits under the Option C program; and

**WHEREAS**, the City and County's local rent relief program will connect tenants and landlords with traditional rental or lease agreements to the State program for assistance and the State's rent relief program will connect tenants who are extremely low-income

(less than 30% of AMI) and do not have a traditional rental or lease agreement to the local rent relief program; and

**WHEREAS**, the City desires to accept the federal Emergency Rental Assistance funds from the Treasury and negotiate and execute agreements with Sacred Heart Community Service, the County of Santa Clara, and the State of California Department of Housing and Community Development to provide San José residents with rental relief funds;

**NOW, THEREFORE**, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

- a. The \$30,379,739.90 in Emergency Rental Assistance funds from the U.S. Department of the Treasury are hereby accepted and the City Manager's signing of the award terms is hereby ratified; and
- b. The City Manager is hereby authorized 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.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2021, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

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SAM LICCARDO  
Mayor

ATTEST:

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TONI J. TABER, CMC  
City Clerk