



CITY OF OAKLAND

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CARROLL FIFE
Council Member
District 3

REBECCA KAPLAN
Vice Mayor
District At Large

Date: April 28, 2022
To: Members of City Council and Members of the Public
From: Councilmember Fife and Vice Mayor Kaplan
Re: **Fulfillment of Outstanding Rental Assistance Applications**

Dear Colleagues on the City Council and Members of the Public,

In 2020, the long-standing housing affordability crisis intensified when the COVID-19 pandemic sparked an economic and public health crisis that threatened the housing stability and lives of millions of renters in California. Throughout the past two years, low-income renters who struggled to pay rent before the COVID-19 pandemic were put in an even more precarious position to pay rent due to job loss and increased expenses. Currently, 730,000 California households are behind on rent, the total rent debt amounting to approximately \$3.2 billion, based on analyses of rent relief distributions from the US Treasury Report and Census Household Pulse Survey Data through March 2022.

In response to the growing need to support renters who were and continue to be at risk of losing their housing, the Federal government and States allocated funding to local jurisdictions to establish rental assistance programs. However, many tenants have struggled to receive assistance because of oversubscription and administrative issues with the programs. This resolution, therefore, calls upon the State of California to fulfill all outstanding rental applications that meet the eligibility requirements, and clarifies that the City of Oakland did not, and does not, opt out of the State's announced March 31, 2022 Safe Harbor Program for applicants.

To assist low-income renters in Oakland at risk of losing housing, the City applied for Emergency Rental Assistance Program funding (ERAP), provided by the US Department of Treasury. Despite assisting over 2,158 applicants thus far with an additional 2,881 in process, the City's program is severely oversubscribed. As of March 31, 2022, a total of 7,375 total residents applied to the program and 4,323 are waitlisted in the Keep Oakland Housed Homeless Prevention Platform.

In Spring of 2021, the State changed its rules regarding the way local jurisdictions and the State interact when administering rental assistance funds. During the first round of distribution of ERAP I funds, renters who applied for City assistance were served through the State's Housing is Key program when the City's program could not meet demand. When the State awarded its own block grant, separate from US Treasury funding, the State required cities who received block grants to decide whether they would (A) delegate the entirety of their rental assistance block grant to the State for administration, (B) administer the entire State block grant and their direct allocation in

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accordance with all state and federal guidelines, or (C) administer the direct allocation *only* and the State administer the block grant in accordance with all state and federal guidelines.

The City of Oakland chose to administer the State block grant and their direct federal allocation in accordance with state and federal guidelines (option B). This administrative change funneled Oakland applicants to the City program. However, Oakland residents continued to apply for assistance through all channels, particularly as we approached the March 31st expiration date on tenant protections.

The Oakland Department of Housing and Community Development quickly discovered that even with additional state funding to supplement ERAP I and ERAP II funds, Oakland's program continues to be oversubscribed. This means that renters who followed the City's directions, applied for assistance prior to March 31, 2022, and meet all eligibility requirements will still not be served.

In light of this oversubscription, the City reached out to the State requesting that the State serve the Oakland applicants who applied to any rental assistance program but are not being assisted because of limited funding. The State shared with City staff that because the City chose option B, administering their block grant and direct allocation, Oakland applicants will not be assisted if (1) they applied through the City program prior to March 31, 2022, but are not being served because of funding shortfalls, or (2) applied through the State Housing is Key website from October 1, 2021, through March 31, 2022.

This messaging from the State is counter to their public announcement that all families who applied prior to March 31, 2022, will be served. According to the Housing is Key website, "In accordance with California Senate Bill (SB) 115, all qualified applicants who submitted their application before the March 31st deadline will receive help with past-due rent and/or utility bills."

Given that without further action tenants who submitted ERAP applications prior to March 31, 2022 will be denied emergency rental assistance funds, this resolution calls upon the State of California to fulfill all outstanding rental assistance applications which meet the eligibility requirements, including processing applications submitted to Housing is Key by Oakland applicants between October 1, 2021 and March 31, 2022, and clarifies that the City of Oakland did not, and does not, opt out of the State's announced March 31st Safe Harbor Program for applicants.

The threat of losing housing for many Oakland renters is too great for inaction. For this reason, we respectfully urge your support for this resolution.

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