



CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBER FIFE AND VICE MAYOR KAPLAN

RESOLUTION CALLING UPON THE STATE OF CALIFORNIA TO FULFILL ALL OUTSTANDING RENTAL ASSISTANCE APPLICATIONS THAT MEET THE ELIGIBILITY REQUIREMENTS, AND CLARIFYING THAT THE CITY OF OAKLAND DID NOT, AND DOES NOT, OPT OUT OF THE STATE'S ANNOUNCED MARCH 31ST, 2022, SAFE HARBOR PROGRAM FOR APPLICANTS

WHEREAS, the long-standing housing affordability crisis in California intensified in 2020 when the COVID-19 pandemic sparked an economic and public health crisis that threatened the housing stability and lives of millions of renters; and

WHEREAS, throughout the past two years, low-income renters who struggled to pay rent before the COVID-19 crisis were put in an even more precarious position to pay rent due to job loss and increased expenses; and

WHEREAS, 730,000 households are currently behind on rent in California, their total rent debt totaling approximately \$3.2 billion based on analyses of rent relief distributions from the U.S. Treasury Report and Census Household Pulse Survey Data through March 2022¹; and

WHEREAS, 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, helping tenants hit hardest by the pandemic; and

WHEREAS, the City of Oakland has applied for Emergency Rental Assistance Program funding (ERAP), provided by the U.S. Department of Treasury, to financially assist Oakland low-income renters; and

¹ *Rent Debt in America: Stabilizing Renters is Key to Equitable Recovery*, National Equity Atlas Dashboard, March 2022, <https://nationalequityatlas.org/rent-debt>.

WHEREAS, during the first round of allocations, ERAP I, the City received \$12,874,764; during the second round, ERAP II, the City received \$19,644,850.30; and the City also received \$12,077,713.52 from Round 2 of the California Housing & Community Development State Rental Assistance Program (SRA2); and

WHEREAS, at the recent April 19, 2022, City Council meeting, the City adopted a resolution to authorize the City Administrator to apply for, accept, and appropriate funds under a State Housing and Community Development Cashflow Loan Program of \$20 million; and

WHEREAS, despite the City assisting over 2,158 applicants thus far with an additional 2,881 in process, the City's program is severely oversubscribed, and, 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; and

WHEREAS, 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 but were placed on the City's waitlist because demand outstripped supply of funds were served through the State's Housing is Key program. When the State awarded SRA2 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 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; and

WHEREAS, 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; and

WHEREAS, 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. Demand for rental assistance far outpaces supply; and

WHEREAS, the demand in excess of rent assistance supply means that renters who followed the City's directions, applied for assistance prior to March 31, 2022, and met all eligibility requirements will still not be served. The current gap between what the City has and what the City needs to serve all residents who applied for assistance is approximately \$20 million and would be even greater if new applications were still being accepted; and

WHEREAS, given this oversubscription, the City reached out to the State to request that the State serve the Oakland applicants who applied to either rental assistance program but are not being assisted because of limited funding; and

WHEREAS, 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 they (1) 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; and

WHEREAS, this messaging from the State is counter to its public announcement which shared that all families who applied prior to March 31, 2022, would 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;” and

WHEREAS, this messaging from the State is also inconsistent with the February 2022 announcement by the California Department of Housing and Community Development (HCD) that it would guarantee emergency rental assistance funds for all qualified applicants who applied through the Housing is Key website prior to March 31, 2022, a guarantee that has not been extended to Oakland applicants; and

WHEREAS, prior to October 1, 2021, Oakland tenants were permitted to apply for emergency rental assistance funds through the state program at HousingisKey.com; and

WHEREAS, on and after October 1, 2021, many Oakland tenants were confused about where to apply for assistance, due to the changing requirements and inconsistencies in the state website, and continued to apply to the state program at HousingisKey.com instead of the local program; and

WHEREAS, the state program did not promptly inform such tenants that their applications had been sent to the wrong program and would be denied, and, as a result, numerous Oakland tenants who incorrectly applied to Housing is Key after October 1, 2021 were only informed of this fact after March 31, 2022, when the application period for Oakland’s local program had already closed; and

WHEREAS, without further action, those Oakland tenants who submitted ERAP applications through the State between October 1, 2021, and March 31, 2022, will be denied emergency rental assistance funds; and

WHEREAS, the state program has the ability to process and fund the applications of Oakland tenants sent through HousingisKey.com between October 1, 2021 and March 31, 2022; now, therefore, be it;

RESOLVED: That the Council 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 has not opted out of the State’s announced March 31st safe harbor program for applicants; and be it

FURTHER RESOLVED: That, regardless of whether an Oakland resident applied for rental assistance through the City or State, the Council strongly urges the State to assist *all* residents who applied prior to March 31st for rental assistance in alignment with their announcement that came with the passage of SB 115; and be it

FURTHER RESOLVED: That Oakland's lobbyist share this resolution with relevant State HCD staff and advocate that all Oakland residents who applied for rental assistance prior to March 31st be served.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES – FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO, AND
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

ASHA REED

City Clerk and Clerk of the Council of the
City of Oakland, California