



County of Santa Cruz

PLANNING DEPARTMENT

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Coronavirus Aid, Relief, and Economic Security (CARES) Act

Coronavirus Relief Fund (CFR)

Emergency Rental Assistance Program

SANTA CRUZ COUNTY CARES POLICY AND PROCEDURE GUIDELINES

I. INTRODUCTION

PUPOSE AND BACKGROUND

The purpose of these policy and procedures is to provide guidance to subrecipients of the funding available from the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”). The State has approved \$28 million from the Fund to the County in the 2020-21 Budget to assist for payment for the costs of responding to the COVID-19 pandemic, including both the direct costs of confronting the health effects and the second-level economic effects from March through December 2020. The funds were provided by Congress in the CARES Act and must be utilized in compliance with US Department of Treasury guidance. More information can be found at [http://www.dof.ca.gov/budget/COVID-19/CRF Allocations/](http://www.dof.ca.gov/budget/COVID-19/CRF_Allocations/). Under the CARES Act, the Fund is to be used to make payments for specified uses to certain local governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19); were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

Costs incurred during the period that begins on April 1, 2020, and ends on December 31, 2020

In response to the CARES Act funding, the County of Santa Cruz (“County”) created the County CARES program which will cover costs incurred by eligible households during the period beginning on April 1, 2020 and ending on December 31, 2020 (the “covered period”).

II. COUNTY CARES AGENCY PARTNERS

The County has partnered with two non-profit agencies; the Community Action Board (“CAB”) of Santa Cruz County; and Families in Transition (“FIT”) to administer the County CARES program.

III. COUNTY CARES PROGRAM ELIGIBILITY REQUIREMENTS

The County CARES Emergency Rental Assistance Program, “County CARES” provides housing stabilization funding to residents of the unincorporated areas of Santa Cruz County who have lost income due to COVID 19, with household income not to exceed 80% of the Area Median Income (“AMI”), as published by the County, and who are in arrears for rent and utility payments.

Units under the CARES program may be publicly- or privately- owned.

1. MAXIMUM ASSISTANCE

County CARES assistance will pay for past due rent only, up to six months’ rent in arrears or utility payments going back to April 1, 2020, up to a maximum of \$10,000, for eligible tenant applicants. Rent subsidies will be paid directly to landlords or their agents on behalf of eligible

tenants and utility payments will be paid directly to the Utility Company. The County expects that between 85 and 120 households will be served with this assistance.

2. TENANT ELIGIBILITY

a. Covid-19 Requirement

Eligible recipients must have suffered financial hardship such as a loss of income or reduction in wages due to Covid-19 and will be required to provide documentation to verify the loss of income.

b. Eligible Expenses

The program will cover the costs of past due rent and utilities up to six months.

c. Maximum Household Income Limits

Current Household income is limited to no more than 80% of County area median income (AMI) based on household size. Gross* Annual income includes income expected to be received in the next 12 months including long-term unemployment compensation and all hazard pay. **DO NOT INCLUDE: IRS Economic Impact Payments (stimulus checks), Federal Pandemic Unemployment Compensation (the additional \$600 per week).**

Income Eligibility is the total gross annual income for all adult members in a household based on last 30 days of income (monthly x 12). *Gross annual income must include all sources of income of adult members

Maximum income limits are shown below in Table 1.

Table 1. Santa Cruz County Income Limits

| | Household Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------------------------------------|-----------------------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|
| Income Limit Percent of (AMI) | 80%-Lower | \$74,350 | \$85,000 | \$95,600 | \$106,200 | \$114,700 | \$123,200 | \$131,700 | \$140,200 |

d. Eligible Locations and Residency Requirements

Assistance is available to households paying rent on a residence within the unincorporated areas of the County of Santa Cruz. Subrecipient partners will verify the residence is within the unincorporated areas of the County.

e. Lease Requirements

The Tenants Lease or Agreement will act as proof of residency and satisfy that requirement. The Agreement between the property owner and the Head of Household must be in writing and signed by both parties. A pre-existing written Agreement, for a

minimum of 30-days, between the parties is required. In the event a pre-existing written Agreement is not available, the CAB/FIT Rental Verification Form, completed and signed by the Landlord may be constitute an alternative Agreement between the parties, upon County approval.

3. HOW TO APPLY FOR ASSISTANCE

a. Participant Self-Certification of Annual Income Form

Interested applicants must complete and submit a Self-Certification of Annual Income form. The Self-Certification of Annual Income form will be made available on both CAB and FIT websites as well as print application provided through mail or in person pick-up/drop off via drop-boxes. The Self-Certification of Annual Income shall be available in English and Spanish.

b. Order of Processing

Completed Self-Certification of Annual Income forms submitted prior to the deadlines and determined to meet initial eligibility requirements will be included in the Random Drawing to determine the order of processing. (see below for further information)

c. How to Submit an-Application

Applications can be submitted on-line through links on agency websites. Paper applications will also be accepted for those interested applicants without access to the internet at agency drop boxes or through the mail. COUNTY CARES applications will be available at the CAB and FIT office locations and at the County Planning Department.

4. DUPLICATION OF BENEFITS

- a. Agencies shall collect information from tenant to ensure there is no duplication of benefit for either rental or utility assistance.
- b. Rental assistance cannot be provided to an applicant who is receiving other tenant-based rental assistance (e.g. Section 8 or Shelter Plus Care rental assistance) or living in a housing unit receiving project-based rental assistance or operating assistance through other public source, unless the tenant can provide documentation from the source of subsidy that tenant's portion of the rent is constant.

IV. OUTREACH

In coordination with the COUNTY, CAB and FIT will utilize their established networks and procedures to publicize the program through print, online, television, and radio media in English and Spanish. Outreach and Advertising guidance dates: 8/31/2020-10/14/2020.

V. PARTICIPANT SELECTION

a. Participants will be selected for assistance through a consolidated random drawing compiled from-eligible Self-Certification of Annual Income forms received by the Agencies prior to the deadline dates.

VI. RANDOM DRAWINGS AND DEADLINES

A prioritized list will be established and maintained by the Subrecipients. Entries-are expected to be accepted in two groups, with applicants prioritized through a random drawing. In this way, the Subrecipients can quickly assist households. Both agencies intend to expend at least 50% of program funds through the first prioritized list and will continue to conduct outreach in order to contact harder to reach households.

The first drawing shall occur on September 16, 2020, and the second drawing shall occur by October 15, 2020.

- a. Completed applications received by September 14, 2020, will be included in the first drawing.
- b. Eligible Applications not chosen for assistance in the first drawing will be included for randomization in the second random drawing-
- c. Applications received between September 14, 2020- October 14, 2020, will be included in the second drawing only.

VII. RANDOM DRAWING LIST

- Upon closing of the random drawing list, Subrecipient shall issue all tenants on the list a randomized number, which will determine the order that eligibility reviews and assistance will be established.
- All names on the list will be verified by the Agencies for eligibility in the randomized order.
- Agencies shall contact those that are not eligible or that remain on the list after funds have been utilized via the applicants preferred communication indicated on their pre-screening application.
- Tenants that are not selected as part of the first drawing are eligible to be included in the second random drawing.

VIII. LANDLORD REQUIREMENTS AND PAYMENTS

- a. Owners/Landlord will be required to submit a W9 form before payments can be processed.
- b. Payments will be made directly to the owner/landlords.
- c. Owner/Landlord must sign an Agreement that the owner/landlord may not evict the tenant (or other household members) within 30-days of receipt of program funds.

IX. PROGRAM EXPENDITURE SCHEDULE

a. Group 1: September 16 Random Drawing Deadline

- 9/14 Deadline to apply for first drawing
- 10/15 checks cut to expend between 50% and 75% of program funds

b. Group 2: October 15 Random Drawing Deadline

- 10/14-Deadline to apply for second drawing-more complex cases,
- 12/1-Final checks are cut to Owner/Landlord,
- 12/10 Submit invoice to County for reimbursement (justify for advance),
- 12/22-County reimburses partner agencies.

X. INELIGIBLE COSTS

County Cares funds may **not be used** for the following activities:

- a. Assistance to units located outside the unincorporated areas of the County of Santa Cruz.
- b. Application fees for housing units.
- c. Applicant background checks.
- d. Telephone and cable deposits.
- e. Landlord vacancy and/or damage claims.
- f. Utility assistance in the form of deposits or ongoing assistance.
- g. Security Deposits.
- h. Late Fees

XII. RECORDKEEPING AND ADDITIONAL PROGRAM ADMINISTRATION

CAB and FIT will provide the COUNTY with the data gathered from the Self-Certification of Annual Income form in either an excel spreadsheet, or WORD document format, copies of the Self-Certification/Application form, including a copy of the check issued to the Owner/Landlord and a final report that will include, but not limited to the, participant names and addresses, type of assistance, with back rent or utility of both, total cost per client, as well as the client's success in achieving housing stability.

Documentation of these requirements must be available for review by the County Housing Department staff. Agencies are responsible for ensuring that all records are maintained for five years. Additional requirements include but are not limited to:

1. Agencies should document their efforts to ensure clients are complying with the requirements using the Applicant and Landlord documents¹ listed below as guidance

- **Applicant:**

1. Self-Certification Form-signed by Head of Household
2. Documentation that applicant has experienced loss or reduction of income (recent/past pay stubs, unemployment filing, letter from employer, etc.)
3. Copy of current lease/rental agreement or CAB/FIT Rental Verification form

4. Copy of Identification
5. Copy of past due utilities (gas, water, power)

- **Landlord:**

1. Letter to Landlord
 2. W-9
 3. Agreement to Stop Eviction
 4. Rental Verification Letter
2. Conflict of Interest: Subrecipients must disclose all real, potential, or perceived conflicts of interest to County, as applicable, regarding the receipt of, assistance provided with, or expenditure of County funds. All conflicts of interest must be disclosed and resolved prior to providing COUNTY CARES assistance to the household.
 3. Conflicts are applicable to both County staff and Agency staff as well as their immediate family members. This assistance would not be permitted as either a tenant or landlord when such a conflict existed. Specific situation determinations may be discussed with County staff on an as needed basis.

XIII. COUNTY CARES CONTACT INFORMATION

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