

RESOLUTION NO. 24-038 C.S.

A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

APPROVING MONTEREY RENTAL ASSISTANCE PROGRAM GUIDELINES

WHEREAS, the City Council set-aside \$250,000 in General Fund monies toward a rental assistance program;

WHEREAS, City staff have surveyed and met with residents in February and March of 2024 to determine priorities for a rental assistance program;

WHEREAS, the City launched prior Emergency Rental Assistance Program (ERAP) in August 2020 in response to financial hardship caused by increased unemployment due to COVID-19 economic impacts. The original program was funded with Coronavirus Aid, Relief, and Economic Security (CARES) Act Community Development Block Grant (CDBG) funding, CARES ACT CDBG-CV3 funding, City of Monterey CDBG Program Income for approximately \$1,000,000 for Fiscal Year 2021 and \$1.25 million on behalf of the United Way of Monterey County benefiting 128 households. Combined, the two programs benefited 290 households;

WHEREAS, although a City program, Monterey's ERAP was a regional program that served both the residents of Monterey, as well as employees of Monterey businesses, many of whom lived throughout Monterey County and commute to Monterey for employment. Additionally, the city's program was in partnership with the United Way of Monterey County, using the 2-1-1 service to receive assistance calls, making it easily available to anyone who calls 2-1-1;

WHEREAS, the prior ERAP programs followed the HUD approved Emergency Rental Assistance Program and State guidelines to determine applicant eligibility. Assistance was provided directly to landlords and property management firms on behalf of the low-income applicants. No funding from the prior ERAP programs remain;

WHEREAS, on February 28, 2024, the City Council held a study session to discuss the results of survey data and the Public Review Draft 2023-2031 Housing Element to determine parameters for the new Monterey Rental Assistance Program;

WHEREAS, using General Fund monies can allow for a more flexible assistance with program requirements. This will be a pilot program and the program may be adjusted based on program results;

WHEREAS, various factors were considered regarding the program, including: program priorities, such as assisting people due to a loss or change in employment or other catastrophic events; how to use the funds, such as deposit assistance or paying rental arrears; if residents outside of Monterey should be eligible or only assist Monterey residents with the funding; how to serve residents equitably and to serve those in crisis; prioritize and expand low-income and people earning up to 120% of AMI who were not eligible for federal or state ERAP programs; the total amount of assistance to provide; how much rent should be covered; the number of

times assistance should be provided; if residents should receive information on additional housing resources including financial counseling and problem solving and legal services.

WHEREAS, According to the State of California Housing and Community Development (HCD) cost burden is the fraction of a household's total gross income spent on housing costs. There are two levels of cost burden: (1) "Cost Burden" refers to the number of households for which housing cost burden is greater than 30 percent of their income; and (2) "Severe Cost Burden" refers to the number of households paying 50 percent or more of their income on housing. According to 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) estimates, a total of 2,659 households in the City experience cost burden (22.7 percent) while an additional 2,480 households experience severe cost burden (21.1 percent). This means that a little less than half of all households in the city experience some level of cost burden:

WHEREAS, renters are particularly impacted by cost burden, as, unlike homeowners, they cannot build equity with their homes. Renters in the City of Monterey tend to have higher rates of cost burden than owners. 52.3 percent of all renters experience some level of cost burden while only 30.1 percent of owners are faced with cost burden;

WHEREAS, the Monterey Rental Assistance Program will allow grant funds distributed to an applicant (recipient head of household) multiple times in an amount not to exceed \$5,000 with an additional amount of \$3,000 that could fund utilities, or other forms of assistance, including mediation or legal services. The program would fund amounts in arrears for rent and utilities. Program applicants shall confirm, and the City will be required to verify, that an agreement exists between the property owner/landlord and the applicant (recipient head of household) pertaining to rent for the household. The City must make payment directly to the property owner/landlord/manager. For utilities payments, applicants must provide, and the City must verify, that an agreement exists between the utility company and the applicant (recipient head of household) pertaining to utilities for the household. The City must make payment directly to the utility company. For any other payments, such as one-time assistance for legal fees or mediation fees, the City will pay directly to a vendor approved by the City;

WHEREAS, City of Monterey Housing Division staff will assist up to ten (10) applicants per month. The City will accept up to 20 applications per month, review eligibility of those applicants, and prioritize the applicants based on the following criteria: first-come, first serve basis. The City will complete this process until all program funds are expended;

WHEREAS, City of Monterey Housing Division staff will working expeditiously to review applications and direct the City of Monterey Finance Department to disburse funds as quickly and prudently as possible, in the hopes that applicants might be able have rental assistance funds to make their current and past due rent payments. Because the end of the Fiscal Year is within a few months and providing rental assistance is a sensitive situation, any further delay in approving the guidelines would have tremendous adverse effects on the many local residents who will be hoping for this much needed funding to help pay their cost of housing;

WHEREAS, the City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CCR, Title 14, Chapter 3 ("CEQA Guidelines") Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action has no potential to cause any

effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that the above recitals are true and correct and are hereby incorporated and adopted as findings of the City Council as if fully set forth herein.

NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby:

1. Approves the program guidelines dated March 19, 2024; and
2. Authorizes staff to implement the Monterey Rental Assistance Program:

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 19th day of March, 2024, by the following vote:

AYES:	4	COUNCILMEMBERS:	Barber, Garcia, Smith, Williamson
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	1	COUNCILMEMBERS:	Haffa
ABSTAIN:	0	COUNCILMEMBERS:	None


APPROVED:

ATTEST:

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 Mayor of said City

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 City Clerk thereof



CITY OF MONTEREY 2024 City of Monterey Rental Assistance Program Guidelines February 2024

About the Program

The City is enacting the City of Monterey Rental Assistance Program (RAP) to provide rental assistance to eligible applicants in the City of Monterey. The City operated the COVID-19 Emergency Rental Assistance Program ("ERAP") in 2020 with the objective of mitigating potential homelessness and displacement of existing Monterey residents and workers who experienced a decrease in household income due to the COVID-19 pandemic, and thus, unable to pay their rent.

The 2024 RAP aims to provide rental assistance grants to assist eligible applicants. The assistance could pay for:

- Deposit Assistance in the form of an interest free loan to the tenant
- Housing Relocation and stabilization (only within the City of Monterey)
- Short-term rental assistance (maximum of 3-months of rental assistance)
- Covering rent increases
- Delinquent rent/rental arrears
- Financial Assistance (Paying another cost to assist with rent payment)
- Application Fees
- Utility Assistance

The City is providing a much-needed resource to ensure residents of Monterey stay housed.

The program is funded through the City's General Fund. Utilizing general funds for this program allows for the greatest flexibility for the City to assist applicants and allow the City Council to determine the parameters of the program.

Applicant Eligibility

In order to be eligible for the Rental Assistance Program, applicants must meet the following requirements:

- Live in the City of Monterey (prove Monterey residency for at least 1-year prior to receiving assistance)
- Demonstrate a history of making rent payments
- Be able to provide a lease agreement
- Make less than 120% of Area Median Income (*the below AMI chart will be updated annually based on State of California Housing and Community Development (HCD) Income Limits for Monterey County*)

Monterey County

Amount and Type of Assistance

NUMBER IN HOUSEHOLD	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
ACUTELY LOW (0-15%)	\$10,550	\$12,050	\$13,550	\$15,050	\$16,250	\$17,450	\$18,650	\$19,850
EXTREMELY LOW (16-30%)	\$25,300	\$28,900	\$32,500	\$36,100	\$39,000	\$41,900	\$45,420	\$50,560
VERY LOW (31-50%)	\$42,150	\$48,200	\$54,200	\$60,200	\$65,050	\$69,850	\$74,650	\$79,500
LOW (51-80%)	\$67,450	\$77,100	\$86,750	\$96,350	\$104,100	\$111,800	\$119,500	\$127,200
MEDIAN (81-100%)	\$70,300	\$80,300	\$90,350	\$100,400	\$108,450	\$116,450	\$124,500	\$132,550
MODERATE (101-120%)	\$84,350	\$96,400	\$108,450	\$120,500	\$130,150	\$139,800	\$149,400	\$159,050

The City will provide up to three months of rental assistance in an amount not to exceed \$5,000. Other assistance, such as deposit assistance will also be provided to the same applicant if the client needs multiple types of assistance in an amount not to exceed \$8,000. Other assistance may include one-time legal assistance and housing counseling. It is not a requirement for a client to accept additional assistance, however, if needed and requested, City staff will work with other non-profit organizations that provide counseling and housing services to provide additional resources and support. Other one-time assistance will be capped at \$3,000 per applicant. Payments for one-time assistance for housing counseling and legal assistance would be paid to the City's contracted non-profit agency that provides these services.

Payments will be made directly to the applicant's landlord or property management firm. No direct payments will go to Monterey Rental Assistance Program applicants. Other housing services will be paid through agreements with non-profit organizations who provide those services.

Funding Availability

The City of Monterey has dedicated \$250,000 for rental assistance for Fiscal Year 2023-24. Eligible applicants are primarily accepted on a first come, first serve basis. City staff will assist up to ten applicants per month.

No Duplication of Benefits

Rental Assistance best practices recommend that the City of Monterey staff check to see that the Rental Assistance will not result in a duplication of benefits to the applicant, meaning that the housing cost has not or will not be paid by another source. To ensure that there is no duplication of benefits, applicants must inform the City of Monterey about other financial assistance they are receiving so that the City may verify that no duplication of benefits will occur if the applicant receives Rental Assistance from the City. Receiving other financial aid does not disqualify someone from applying, but receiving other financial aid may limit the amount of Rental Assistance an applicant is eligible to receive.

Required Documentation for Tenants and Landlords

Applicants must provide the following documentation to the City of Monterey Housing Programs Office:

- Cover Letter explaining your situation and why rental assistance is needed
- Most recent Federal income tax returns
- Most recent bank statement for checking and savings accounts
- Lease Agreement
- Photo ID for each member of the household
- Self-Certification of Income
- For employment:
 - Most recent paystub (if still employed)
 - Hour reduction notification from employer (if hours reduced)
 - Unemployment Award Letter from a state or federal unemployment (if unemployed) or Termination Letter
- Rent Due notices
- Landlord verification that applicant was current on rent or making payments
- Landlord's W9 and contact information for payment
- Information relating to other financial assistance you are receiving (see Duplication of Benefits)
- Landlord may allow inspection of the unit
- Landlord may consider forgiving back rent not covered by the program
- Landlord may consider accepting a fraction (ex: 80%) of rent as payment-in-full
- Landlord may consider waiving late fees
- Landlord may consider to not move forward with an eviction for a specified length of time

Application Process

Applicants must complete the City of Monterey's online Rental Assistance Program application at Monterey.org/housing.

City Staff will contact applicants within one (1) week of their application submission to discuss the application.

Record Retention

The City of Monterey Housing Programs Office will keep all records for each applicant in accordance with City requirements.

Contact

The City of Monterey Housing Programs Office is available to answer questions about the Monterey Rental Assistance Program by phone at 831-646-3995 or by email at housing@monterey.org.