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California Receives \$62,000,000 From U.S. Treasury For Rent Relief

State Program Has Already Distributed Over \$1.7 Billion; Assisted More Than 145,000 Households During the Pandemic

SACRAMENTO – The California Department of Housing and Community Development (HCD) today announced it has received an additional \$62 million from the U.S. Department of Treasury to continue the state’s successful implementation of the CA COVID-19 Rent Relief Program. California received more than 30 percent of total federal funds that Treasury recaptured and reallocated across the country, which is a testament to the success of the state’s program. However, it falls short of the demonstrated need, and the state will continue to request funds to assist households in the months to come, especially as Emergency Rental Assistance 2 reallocations are forthcoming later this spring.

As part of the U.S. Treasury’s reallocation process, the California state program submitted a formal request in late November for \$1.91 billion to be reallocated from Round 1 of federal Emergency Rental Assistance (ERA 1) funds. In acknowledging receipt of California’s request, the U.S. Treasury applauded the state’s rent relief efforts, encouraged the state to continue to move quickly to make payments, and committed to working with California to continue the successful implementation of the program.

“While we are grateful for the infusion of additional federal resources from the U.S. Treasury, California will need significantly more funding from future federal reallocations in order to continue to meet the needs of low-income California renters impacted by COVID-19,” said Business, Consumer Services and Housing Agency Secretary Lourdes Castro Ramírez. “The state is doing its part and prioritizing the most vulnerable renters, and we will continue to work closely with our partners at the U.S. Treasury to advocate for equitable reallocations in subsequent rounds of funding, specifically through a needs-based approach, in order to help those most at risk of eviction and homelessness stay housed.”

Since the rent relief program launch on March 15, 2021, California has led the nation in delivering assistance to those most in need and at risk of losing their housing. The state program has delivered over \$1.7 billion in direct assistance to date, helping more than 145,000 low-income households pay off rental debt and avoid eviction.

“From the beginning, the U.S. Treasury urged states to move quickly to support renters and landlords in need and deploy rent relief funds to avoid evictions, and California rose to meet that challenge,” said Department of Housing and Community Development Director Gustavo Velasquez. “Given the state’s large renter population and cost burden, we know demand for resources will continue in the

months to come. California has some of the most cost-burdened renters and they should be prioritized as additional federal funding is made available.”

California intends to submit subsequent requests for additional federal funds pursuant to the U.S. Treasury reallocation process, including an application for the next round of reallocations due toward the end of January. The U.S. Treasury has indicated reallocations will be made every two months, with unused federal funds recaptured and reallocated to grantees like California that have a continued demand for resources. California will continue to deploy its remaining federal resources as additional federal resources are made available.

Of those assisted thus far, more than 84 percent are very low- or extremely low-income households, earning less than 50 percent of Area Median Income. Of those applying, more than 56 percent are women heads of household, and more than 25 percent of applicants are over the age of 50.

Thousands of Californians continue to apply for rental assistance every week, and the state continues to review applications to determine applicants’ eligibility. In many circumstances, applicants continue to receive temporary eviction protections, which are in place through the end of March 2022. With the U.S. Treasury’s announcement of additional federal funding, the rent relief program is entering a new phase in which ongoing processing of applications will begin to match the pace of the U.S. Treasury’s reallocation of federal funds.

In addition, legal aid resources are available to support tenants navigating available protections. Low- or no-cost legal help is available through www.lawhelpca.org and/or the Tenant Resources page on HousingIsKey.com.

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The California Department of Housing and Community Development is dedicated to the preservation and expansion of safe and affordable housing, so more Californians have a place to call home. Our team works to ensure an adequate supply of housing for Californians and promotes the growth of strong communities through its leadership, policy and program development. For more information, please visit www.hcd.ca.gov and follow us on Twitter, @California_HCD; Facebook, @CaliforniaHCD; and LinkedIn.