



SOLANO COUNTY CIVIL GRAND JURY

2021-2022

Solano County Emergency Rental Assistance Program: A Case Study

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Solano County Civil Grand Jury 2021-2022

I. SUMMARY

This report is a case study of the implementation of a rental assistance program funded by the federal and state governments and administered at the county level. Although the local Emergency Rental Assistance Program (ERAP) has ended, there are lessons to apply when future short-term funding is available for programs to be run by Solano County or by community partners with whom the county has contracted.

ERAP was developed at the federal level to help tenants pay rent and utility bills that they could not pay after April 2020 due to circumstances related to COVID-19. Funding approved in 2020 and 2021 was distributed to every state, tribe, and jurisdiction with a population over 200,000. Solano County received allocations totaling almost \$43 million from these funds. However, short timelines, complicated and evolving regulations, and different restrictions from the state and federal governments created challenges locally and throughout the state for distribution of the funds to those most needing assistance. The Solano County Civil Grand Jury found that decisions about how to dispense the funds were made with unrealistic and unreasonable assumptions about local capacity to implement the program in the time frame available.

II. INTRODUCTION

The Coronavirus Relief and Economic Security (CARES) Act, signed into law on March 27, 2020, was the first federal relief package approved to aid in responding to the public health and economic impacts of Coronavirus Disease of 2019 (COVID-19). The Act appropriated \$150 billion to be used by specific state and local governments in response to costs of COVID-19 from March 1, 2020, to December 30, 2020.

In Solano County, like many places across the country, the need for emergency rental assistance was greater than the resources available from state and federal budgets. In addition to the requirement to distribute funds before a specified date, priorities were created in the regulations to get the funds to the people who needed them most critically. Solano County contracted with Catholic Charities (CC) to distribute the funds. The maximum amount that could be paid to one household was \$4,000. Under CARES, CC aided 1,286 Solano County households by December 31, 2020, averaging \$3,200 per application.

In December 2020, Congress approved the Emergency Rental Assistance Program (ERAP) as part of the 2021 Federal Relief and Supplemental Appropriations Act (FRSAA). Funds were allocated to states, tribes, and jurisdictions with a population greater than 200,000. The \$25 billion allocated at that time became known as Round 1 of ERAP. In March 2021, an additional \$21.5 billion federal funds, known as Round 2 ERAP, were approved as part of the American Rescue Plan Act (ARPA). Solano County received almost \$28.5 million directly from federal ERAP funds and an additional \$14.3 million from the California state allocation. There were

two vehicles for distribution of the funds. The first, run by the state (\$14.3 million), and the second run directly by the county (\$13.3 million).

The 2021-2022 Solano County Civil Grand Jury report focuses on the use of the \$13.3 million distributed through the local Solano County ERAP program.

III. METHODOLOGY

Interviewed:

- Solano County Administrator's Office personnel
- Solano County Superior Court personnel
- Solano County Department of Information Technology personnel
- Catholic Charities Yolo-Solano personnel
- The Children's Network of Solano County personnel
- Legal Services of Northern California personnel

Reviewed Response(s) to Requests for Information from:

- Solano County Administrator's Office
- Legal Services of Northern California
- Latham & Watkins LLP (Crowe LLP)
- Solano County Department of Information Technology
- Solano County Auditor-Controller
- Catholic Charities Yolo-Solano

Reviewed:

CARES ACT

- Coronavirus Relief and Economic Security (CARES) Act; March 27, 2020
- Solano County *CARES Act Proposed Expenditure Plan – Revised*; 8/25/2020
- Agreement Between County of Solano and Catholic Charities of Solano, Inc., April 6, 2020
- First Amendment to the Agreement Between County of Solano and Catholic Charities of Solano, Inc., November 18, 2020
- Solano County FY2020/21 Supplemental Recommended Budget, *CARES Act Funding Summary*
- Solano County – CARES Act Expenditure Plan Rental Assistance Program Overview and Final Report; August 25, October 27, December 15, 2020, January 2021
- Solano County *CARES Program Overview/Contract Worksheet*; August 13, 2020
- Solano County Auditor-Controller; *Review of the COVID-19 Rental Assistance Program Contract Awarded to Catholic Charities of Yolo-Solano, Inc.*; April 30, 2020

EMERGENCY RENTAL ASSISTANCE PROGRAM

- 2021 Federal Relief and Supplemental Appropriations Act (FRSSA); December 27, 2020
- California Senate Bill 91 (SB 91); January 29, 2021
- California Assembly Bill 832 (AB 832); June 28, 2021

- Department of Housing & Community Development (HCD) ERAP Implementation Options A, B, C – Terms and Conditions, February 2021
- Memorandum of Understanding between Solano County and HCD to implement Option C; February 2021
- Solano ERAP documents:
 - Solano County Request for Proposal (RFP); February 25, 2021
 - Catholic Charities proposal; March 11, 2021
 - Contract between Catholic Charities and Solano County; April 6, 2021
 - Contract Second Amendment; January 11, 2022
- Board of Supervisors agenda and minutes relevant to CARES and/or ERAP from September 2020 to the present
- Solano County Significant Issues Update; *Update on the Emergency Rental Assistance Program*; August 23, 2021 and January 11, 2022

SOURCE MATERIALS

- Howle, Elaine, California State Auditor; *State High Risk: Federal COVID-19 Funding: Emergency Rental Assistance*; September 16, 2021
- U.S. Treasury; *Emergency Rental Assistance Data Shows Programs Ramping Up, but States and Localities Must Do More to Accelerate Aid*; July 2, 2021
- U.S. Treasury; *Treasury Announces Seven Additional Policies to Encourage State and Local Governments to Expedite Emergency Rental Assistance*; August 25, 2021
- Delaney, Terkel, Golsham; *Billions in Federal Rental Aid Sit Unspent by Local Governments*, Huffington Post; August 25, 2021
- O’Connell, Narayanswamy, Siegel, Fowers; *Evictions are About to Start as Tenants Wait on Billions in Unspent Rental Aid*”; The Washington Post; July 30, 2021
- The Reporter; *Delayed Approval Process for Renters and Landlord*”, Staff Report; August 28, 2021
- Solano County Press Release; *Solano Superior Court Partners with Solano County to Provide Unlawful Detainer Services to Landlords and Tenants*”; December 7, 2021
- Hansen, Louis, *California’s Rent Relief Program Running Short on Money as Deadlines Approach*, Bay Area News Group; January 17, 2022
- Tobias, Manuela, *How Long are Californians Waiting for Rent Relief*; Cal Matters; March 2, 2022
- Kalinoski, Gail; *Landlords Turn To Software, Services for ERAP Distribution*; Multihousing News; March 29, 2021
- Solano County Administrator; *New Federal and State Emergency Rental Assistance Programs*; February 9, 2021 (Powerpoint presentation)

WEB SITES

- Housing Is Key; <https://housing.ca.gov>
- Solano County ERAP Announcement
<https://solanocounty.com/civicax/filebank/blobdload.aspx?BlobID=34917>
- Catholic Charities; <https://ccyoso.org>

- US Department of the Treasury; <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program>
- <https://solano.courts.ca.gov/wp-content/uploads/2021/12/Unlawful-Detainer-Services-Joint-Press-Release-12-07-21.pdf>
- <https://www.congress.gov/116/bills/hr133/BILLS-116hr133enr.pdf>

IV. STATEMENT OF FACTS

A. CARES Program

On June 29, 2020, Governor Newsom signed the State’s 2020/21 Budget, which formalized an allocation of CARES Act funding to each County and city. Solano County’s allocation was \$45 million, \$4 million of which was designated for rental assistance.

In August 2020, the Solano County Board of Supervisors (BOS) approved a \$3,999,996 no-bid contract with Catholic Charities of Yolo-Solano (CC) “to provide a COVID-19 rent assistance program through December, paid for by the County’s COVID Relief Funds (CRF).” The program’s effective period was September 1 – December 31, 2020 (four months).

In November 2020, the Solano County Administrator’s Office (CAO) amended the contract with additional federally funded county money of \$1,164,772, bringing the total CARES award to \$5,164,718. CC aided 1,286 Solano County households by December 31, 2020, averaging \$3,200 per application. On December 31, 2020, the CARES program ended.

B. ERAP (Federal)

On December 27, 2020, the 2021 Federal Relief and Supplemental Appropriations Act (FRSAA) was signed, providing more federal relief. It allocated \$25 billion for the Emergency Rental Assistance Program (ERAP) to provide up to 12 months of rental and utility/home energy cost relief, starting in April 2020. Eligible households were low-income renters negatively impacted by the COVID-19 pandemic. Each state received an allocation; California received \$1.5 billion. Local jurisdictions with more than 200,000 residents received a separate allocation. Solano County, with more than 200,000 residents, received \$13.3 million.

To receive the funds, an “eligible grantee” (state or unit of local government) had to establish a rental assistance system that would ensure all funding conditions were in place. The FRSSA contained specific requirements and regulations, including:

- limitations on eligibility (household income, financial hardship due to COVID-19, and demonstrated risk of housing instability)
- payment frequency (requiring review of documentation for payments every three months for additional funds)
- quarterly reports to the federal government with data about the recipients of funds
- ability for both landlords or renters to apply

- serve households qualified by income, i.e., less than 50% of the Average Median Income (AMI), or by unemployment (1 or more residents unemployed at least 90 days before applying for relief)
- at least 65% of the funds had to be “obligated” by September 30, 2021, or they would be “recaptured” by the federal government
- all funds had to be spent by December 31, 2021

C. ERAP (State)

On January 29, 2021, the Governor signed California Senate Bill 91 (SB 91). The law extended many tenant and property owner protections created in 2020 to June 30, 2021. It also established the State Rental Assistance Program to distribute the \$1.5 billion ERAP federal funds allocated to California. The State allocated \$1.3 billion to cities and counties with populations over 200,000 in block grants under SB 91. It established a state-run program for cities and counties with a population under 200,000. Solano County’s state allocation of these federal funds was \$14.3 million.

SB 91 differed from the federal program:

- It capped the amount of rental arrears that could be paid to 80% of eligible rental debt rather than 100% allowed by the federal government. Landlords had to agree to waive the remaining 20%.¹
- Applications were prioritized by setting up three rounds for consideration, unless the unemployment condition existed:
 - Round 1 – households with income less than 50% of Solano County AMI;
 - Round 2 – communities disproportionately impacted by COVID-19; and
 - Round 3 - households earning less than 80% of Solano County AMI
- It required the State Rental Assistance Program to begin accepting applications no later than March 15, 2021. This program would become known as “Housing is Key.”

SB 91 offered cities and counties in California three implementation options regarding the administration of the State allocated funding:

- Option A - Jurisdictions that received a federal allocation could opt to put those funds into the state-run ERAP (Housing is Key), which operated under SB 91 guidelines. At least 65% of the direct federal allocation had to be “obligated” by September 30, 2021, to “avoid federal reallocation of unused funds.”
- Option B – Jurisdictions that received a federal allocation could agree to follow the SB 91 state program parameters and accept their state allocation as a block grant, combining it with their local direct allocation to establish one local ERAP. Each locality had to make

¹ California legislation AB 832, passed on June 28, 2021, revised CA COVID-19 Rent Relief program so that landlords who participate in Housing is Key are reimbursed 100% for an eligible renter's unpaid rent dating back to April 1, 2020.

its best effort to obligate at least 65% of the state funds by June 1, 2021 and extended by AB 832 to August 1, 2021.

- Option C – Jurisdictions with direct federal allocation could opt not to follow SB 91 program parameters. Option C enabled a jurisdiction to establish its own method of administering its direct federal allocation while opting their state allocations into Housing is Key. Under this dual (bifurcated) program, the state would administer the state allocation, and the local government (Solano County) would establish a local ERAP. With Option C, it would be the county’s responsibility to ensure no duplication of benefits occurred between programs if the county administered its own allocation.

Counties had to identify their option choice by February 12, 2021.

D. ERAP (Solano County)

On February 9, 2021, the Board of Supervisors (BOS) accepted direct federal funding and selected Option C as the implementation method. (Nine other counties and seven cities also chose Option C.) This choice meant that the County was not required to conform to SB 91 requirements when implementing the local program. At the same meeting, the BOS authorized the County Administrator to engage a consultant to develop and administer a Request for Proposals (RFP) to administer the \$13.3 million federally funded rental assistance program. During February and March, the RFP process continued, resulting in the selection of CC to administer the local ERAP.

On March 15, 2021, the State’s Housing is Key website opened for rental assistance applications. Solano County residents were able to apply to the SB 91 program (\$14.3 million). Under Option C, “the County maintains the federal allocation (\$13.3 million) and the State maintains the state allocation, but the full value of both funding sources (\$27.6 million) remains available to assist Solano County residents.”

On April 6, 2021, the BOS (1) approved a contract with CC for \$13,284,000 to administer Solano County’s federal allocation of ERAP funding and (2) authorized the Solano County CAO to execute a Memorandum of Understanding (MOU) with the State for coordination with the State’s ERAP.

On April 15, 2021, CC opened the Solano ERAP application system as required by their contract. They began processing applications on April 22. The application process could be started at their office or any of the seven Family Resource Centers in the County. They were also required to operate a web portal for applicants and “ensure interface with County selected software.”

On April 30, 2021, the county entered into a software contract with Microsoft / Crowe LLP to provide a software product and consulting services. The contract with Crowe specified that work to customize their ERAP tool for Solano County would take an anticipated four weeks to implement. The expected use date of the Crowe software was stated in the contract as mid-May 2021 for a program that was required to begin on April 15, 2021.

On April 30, 2021, the Option C Memorandum of Understanding (MOU) was signed with the State. The MOU identified July 31, 2021, as the end date for the Solano ERAP applications to be initiated. Between April 30 and July 31, 2021, Solano residents who tried to apply at the State website would be redirected to CC. After July 31, 2021, applicants who went to the local website would be directed to apply to Housing is Key, the state program, and access funds from the state SB 91 allocation. The responsibility to prevent duplication of applications remained with the county. Once an applicant had initiated the process in one program, that program became responsible for completing the documentation of eligibility and payments.

During the first weeks of the ERAP program, the federal government revised guidance related to the program several times. As each revision was published, program requirements were adjusted. On March 16, May 7, and June 24, clarifications of Rental Assistance allocation rules and reporting requirements were published. Additionally, \$21.5 billion federal (ERAP2) funds were approved as part of the American Rescue Plan Act (ARPA) on March 11, 2021. Those funds also were distributed to states and localities. Solano County opted for the State to administer their portion of ERAP2, approximately \$15.2 million. Altogether, Solano County had received almost \$28.5 million directly from federal ERAP funds and an additional \$14.3 million from the California state allocation (\$42.8 million total).

During April and May, 2021 local application numbers were high, according to those interviewed. Validating and processing the documentation required multiple steps. CC did not have all the necessary staff hired before the program began, nor did they have the Crowe software. CC estimated it took up to 25 hours, spread over several weeks, for a typical application to be sufficiently reviewed. Landlord verification took up to 3 weeks due to complications in procuring required documents. Near the end of May 2021, county staff became concerned that many payments had not taken place. Late in May, the county informed CC that they would assign county staff people to take over entering any new applications from May 27 through July 31, when the state program would begin. CC was told to continue to process applications initiated before May 27. Finalization of the amended contract with CC to address the bifurcation of tasks within the county and the actual start date for the state's program was not completed until January 2022.

On May 27, 2021, following a week of field testing for program compatibility and one four-hour web-based training, the Crowe software came online. According to key stakeholders, the contract with the software vendor did not include:

- a migration tool for the documents collected throughout the past five weeks. Per CC, "The data import was incomplete because supporting documents could not be imported using the Data Import Tool."
- a way for clients to submit recertification applications as required by Federal Guidelines.
- an easy linkage from the application begun in the initial CC system to the Crowe system. The client would need to create a new application on the new software so that their existing application could be "linked." This linkage could only be created through a link

provided by email. Should the tenant not “link” the applications, a new application would need to be submitted.

- the ability to save an application if it were partially complete. This meant that applicants had to complete the application in one sitting.
- the Tagalog translation was missing. CAO staff knew their responsibility to deliver this verbiage to the software company but did not follow through. This was finally rectified in July 2021.
- an alert system that notified staff when tenants updated their applications or uploaded new documents.

Under federal guidelines, 65% of the total of the first county direct federal ERAP allocation (\$13.3 million) had to be obligated by September 30, 2021, or the remainder of the money could be recaptured. The total expenditure deadline in the CC contract was December 31, 2021. In May and early June, the ERAP funds’ obligation and/or payments to applicants continued to take many weeks after the application started due to documentation and verification difficulties. County staff directed CC to stop processing new applications as of May 26, 2021. As of May 27, when the Crowe software went “live,” the county assigned four of its staff to take any new applications. CC was directed to continue to work with applications that had already started.

In a Notice of Default dated June 11, 2021, the county, concerned CC would not make the application processing deadline needed by the state Housing is Key MOU, notified CC they would be sending a county staff person to “instruct and direct” the work of CC on-site and remotely. The interpretation of the July 31 processing deadline was disputed by CC and Legal Services of Northern California (LSNC). On July 2, 2021, a Final Notice of Default was presented to CC. This notice included a recommendation that the CC Executive Director relinquish supervision of the ERAP program staff and allow the County Housing Coordinator to assume supervisory duties related to the work through the end of July. CC mediated this request, and the County Housing Coordinator became an ERAP program consultant. It took six months to finalize an amended contract.

In December 2021, the Solano CAO reported, “ERAP Round 1 local funds are nearly exhausted, and most remaining applications are being transferred to the State’s Housing Is Key program for further assistance. New applications may still be submitted to Housing Is Key; the County transferred its ERAP Round 2 funds to Housing Is Key for administration.”

On January 11, 2022, the CAO published a Significant Issues Update on ERAP stating that as of January 7, 2022, the County’s ERAP had paid \$10.8 million in rental and utility arrears to 1,100 Solano County renter households. An additional \$450,000 in payments was pending and scheduled to be paid out before February. The average payment was \$10,000. Over 3,000 unduplicated applications were received from April 6, 2021 through July 31, 2021; 1,100 were processed locally. The remaining 1,750 applications were transferred to the State’s Housing Is Key program. In addition, as of January 4, 2022, the state had aided 1,971 Solano County renter households with a total of \$21 million and an average payment of \$10,644.

Focus Areas for this Case Study

1. Staff Transitions Related to ERAP in Solano County.

Two significant staff transitions occurred during the first six months of ERAP, one in the Solano County Administrator's Office (CAO) and one in the Department of Information Technology (DoIT). The first occurred during the interval from the CARES Act to the Emergency Rental Assistance Program, December 2020 into early 2021. The second occurred in late May 2021, as the new software system came online to process tenant and landlord applications.

The CAO Analyst responsible for the CARES program, who had worked directly with CC on rental assistance, left county employment late in January. Because of COVID-19 work restrictions, staff worked from home from March 2020 until January 2021, when some returned full-time. Staff were still at home many days, so face-to-face meetings were limited at that time. In interviews, the Solano County Civil Grand Jury was told that information about ERAP was not reviewed by the analyst who was leaving, and the analyst assigned to ERAP did not review the CARES history. Further, the new person did not access documents stored in a computer "shared drive."

After CARES was completed, the Solano County Auditor-Controller issued a report entitled "Review of the COVID-19 Rental Assistance Program Contract Awarded to CC of Yolo-Solano County Inc." This report, published on April 30, 2021, identified several "deficiencies in internal controls and contract compliance with Program requirements." There had been no information shared before that report about any problems with the CARES contract.

The second significant transition occurred when a DoIT employee who had worked with the Crowe software contract left in May 2021, the week the software was to go "live." Interviews revealed that no one in DoIT was assigned to the project; no DoIT employee had any idea of the problems or potential issues with the "new" computer system until July 2021. By that time, CC was no longer taking new applications for assistance but was still trying to work with the Crowe system to process the applications they had received. DoIT was unaware of the original Crowe contract or the need for modifications and additions to the software program. The failure of DoIT to identify a contact person in its department before July 2021 created an absence of support and therefore problems for CC and the county. Because the application process had been divided, the inability of the Crowe system to fully migrate and incorporate information created in the start-up system was especially problematic. This led to delays in approvals and payments.

2. New Technology Contract Concerns

In the request for proposal to select an administrator for the Solano County ERAP, dated February 25, 2021, the applicants were told that the county would be selecting one of two software programs to conduct ERAP processing. "The County is currently considering a Microsoft product, and Unqork's Rent Relief product." The Solano County Civil Grand Jury was unable to identify which staff recommended these two products.

Before submitting its application, CC researched the software choices and suggested choosing the Unqork product as the software that would best serve this program's needs. It would, according to the CC proposal, "allow users to create a user account to facilitate user interaction, upload documents, and check the progress of their application." Further, CC wrote, "security features, user interface, verification of identity and address, pre-screening tools, data linking between tenant and landlord and secure case monitoring options," explained why it was their recommendation.

By March 23, 2021, it was known that CC would be the organization to implement the program in Solano County, and a draft contract was drawn in which CC "requests the County to purchase the required software and/or licenses and deduct the entire cost of the purchase from the total administrative costs to be disbursed."

Due to the ongoing relationship with Microsoft, Solano County selected the Crowe ERAP Tool, powered by Microsoft Dynamics 365, and signed a contract for services on April 30, 2021. As of March 2022, Crowe stated they had contracts with one other California customer and less than a dozen across the United States for their Grant Recipient Tracker services, of which the Crowe ERAP Tool is a part.

DoIT staff noted that they anticipated having the software used mainly by the CAO to monitor ERAP services. "The user base at Solano will be small. A few CAO employees, a few to audit the ongoing program needs, DOIT for support."

The program, as originally implemented, did not meet the needs of the users, specifically:

- the applicant requesting assistance,
- the landlord requesting assistance,
- the contractor's need to collect documents, or
- the reporting and data migration needs of the contractor.

Due to a lack of a data migration tool, CC staff spent Memorial Day weekend manually uploading 1,254 applications into the new system without assistance from the County or Crowe. Other problems with the software data were noticed early in June, and the CAO asked Crowe for an estimated cost for data cleanup. On June 17, 2021, Crowe provided an "informal estimate" that 16-20 hours would be needed at \$185/hour, with a total cost of up to \$3,700. Solano County declined the offer.

DoIT staff did not actively engage with CAO staff or the contractor on this project between May and the end of July. According to the vendor, the ERAP tool as purchased did not include a fraud prevention function that worked for Solano County, although it could check for duplicate addresses. The protection that would catch someone logging into an account that was not their own or from a different device was not activated until the end of July by DoIT staff. It was only days before CC and the county ceased accepting applications (end of July 2021) that fraud prevention protections were addressed.

3. Translation Concerns

As part of the April 2021 contract between Solano County and CC, CC had to “ensure that applications” would be made available in English, Spanish, and Tagalog. According to the Solano County Cultural and Linguistic Competency Report in 2018, 6.29% of county residents (over 30,000 people) speak Tagalog as their first language. To assist localities in reaching all interested applicants, the State of California made toolkits available for the ERAP program in many languages, including Tagalog, in April 2021. Those toolkits were sent to all Option A and Option C jurisdictions. Also, materials were available online to download and share from a State Housing Department website.

Both Solano County and CC communicated information to the public about ERAP in April and May 2021 using print, radio, social media, flyers, bulletin boards, and press releases in both English and Spanish. There is no evidence that information was provided in Tagalog until later in the summer of 2021. The Solano County Civil Grand Jury was informed of complaints to Legal Services of Northern California regarding lack of access to forms in Tagalog and additional complaints about incorrect or confusing translations. Volunteers and staff in non-profit agencies assisting renters trying to access the funds kept records to document their concerns once it became clear there were some common complaint issues.

When the new software from Crowe was brought online in May 2021, there was no Tagalog translation of content provided. The contract with Crowe had established that the PowerApps Portal text would be loaded in both Spanish and Tagalog once the county performed the translation and provided the language to Crowe. The Tagalog version was not “live” until late July 2021, two months later than the start date, when the new DoIT staff learned of the omission.

Family Resource Center (FRC) staff, a CC subcontractor, provided in-person support for applicants. Every FRC had a Spanish-speaking person on staff. However, Tagalog-speaking staff was not available.

The County website has a “Select Language” link for Google Translate at the top of each window which includes the option of Filipino, but not Tagalog. According to lingualinx.com, Tagalog is the foundation upon which Filipino was built, and Filipino is the natural evolution of Tagalog. It is estimated that about 80-90% of Filipino is Tagalog, and the remaining is comprised of Spanish, English, and other Philippine languages.

4. Contract Concerns

The scope of work and payment agreements in the CC contract are clearly stated. The contract included a clear process for “Changes and Amendments” as stated below:

- A. County may request changes in Contractor’s scope of services. Any mutually agreed upon changes, including any increase or decrease in the amount of Contractor’s compensation, shall be effective when incorporated in written amendments to this Contract.
- B. The party desiring the revision shall request amendments to the terms and conditions of this Contract in writing. Any adjustment to this

Contract shall be effective only upon the parties' mutual execution of an amendment in writing.

- C. No verbal agreements or conversations prior to execution of this Contract or requested amendment shall affect or modify any of the terms or conditions of this Contract unless reduced to writing according to the applicable provisions of this Contract.

The County's contract with CC also clearly stated the process for "Default" as stated below:

- A. If Contractor defaults in Contractor's performance, County shall promptly notify Contractor in writing. If Contractor fails to cure a default within 30 days after notification, or if the default requires more than 30 days to cure and Contractor fails to commence to cure the default within 30 days after notification, then Contractor's failure shall constitute cause for termination of the Contract.
- B. If Contractor fails to cure default within the specified period of time, County may elect to cure the default and any expense incurred shall be payable by Contractor to County. The contract may be terminated at County's sole discretion.
- C. If County serves Contractor with a notice of default and Contractor fails to cure the default, Contractor waives any further notice of termination of this Contract.
- D. If this Contract is terminated because of Contractor's default, County shall be entitled to recover from Contractor all damages allowed by law.

In a letter dated June 11, 2021, CC received a Notice of Default from the CAO, to which CC responded on June 14. This notice identified two areas of concern. It listed 2,720 applicants in the Crowe software of which 8 had received payments, and the reported difficulties clients had in reaching CC. CC responded that they would assign a staff member to handle calls and called into question the high number of applications, stating that there were many duplications because of the Crowe Software that went live 10 working days before the Notice of Default. CC sought the expertise of Crowe to resolve the difficulties. On June 17, the CAO received a quote from Crowe to assist with this clean up; however, an information response letter from Crowe to the Solano County Civil Grand Jury confirmed that the CAO elected not to contract for this service.

The CAO then issued a Final Notice on July 2 (21 days after the initial Notice of Default, 15 working days), declaring that CC had "failed to cure the default of the contract" prompting a 24-page response/challenge on July 14 from CC's Executive Director. Among other things, the notice stated:

- A. Applications need to be processed to determine eligibility and amount to be paid no later than July 31, 2021.
 - a. In the challenge, CC disputed the obligation deadline of July 31 since the federal program had a September 30 obligation deadline. CC stated:
Catholic Charities and the County of Solano have not amended the Contract for ERAP and therefore Catholic Charities is bound only to the Scope of Work outlined in the April 21, 2021 Contract that

does not include the requirement to show 65% obligation of funds by July 31, 2021.

- B. Solano County clarified that the county expected a designated county staff member should have been given full access to CC employees to train, instruct, direct, and oversee progress of work once the Notice of Default was given. It commented that said employee was allowed to assist as a Case Manager and Customer Service Representative but was not given direct staff oversight. It further requested that CC's Executive Director "relinquish supervision of the ERAP program staff assigned to this contract up front and supervisory duties related to the work will be assumed" by assigned county staff.
 - a. In the response, CC stated that CC is an independent non-profit entity led by its Executive Director and by its Board of Directors. Additionally, CC is a ministry of the Diocese of Sacramento and abides by the Diocesan Lay Personnel Handbook. Given that "Supervisor training" is required by the Diocese of Sacramento, CC invited county said staff to serve as a liaison, monitor and guide, but not to take on the responsibilities of a supervisor. CC expressed concern that confusion and conflict could arise regarding which organization had responsibility should any supervisory misconduct be alleged.

CC reiterated that the Crowe Application Portal and the Crowe Customer Relationship Management Program (CRM) had several issues that "need to be addressed in order to continue to have an efficient Solano County ERAP." CC also stated it would continue to work with Solano County.

On July 14, 2021, the county responded to CC's response and stated that "the County has proposed revising the scope of work for the its (*sic*) contract with Catholic Charities as discussed on July 8." For several months the parties were unable to reach a resolution on how to amend the contract. The federal deadline of obligating 65% of the funds by September 30 was achieved. In January 2022, a final amendment to the contract was signed.

5. Community Concerns (Emergency Prioritization)

Legal Services of Northern California's (LSNC) Vallejo office identified serious challenges with the failure of the county to prioritize tenants who were facing immediate eviction. LSNC brought its concerns to the attention of the CAO as well as County Counsel in June 2021. Members of the community group Common Ground also raised the same concerns. Both proposed modifications of program priorities to address people facing immediate eviction to County Counsel, members of the Board of Supervisors (BOS), and, later, the Courts.

When the BOS first agreed to take on ERAP in February 2021, it expressed a concern regarding the urgent needs of community members facing evictions. In June, CC and LSNC requested a change in prioritization to meet the need of specific applicants with pending evictions. The CAO did not take the issue to the BOS, asserting that the BOS did not have the authority to add this priority. State and federal regulations did permit changes in local priorities, according to H.R. 133-893:

- (B) Nothing in this section shall be construed to prohibit an eligible grantee from providing a process for the further prioritizing of applications for

financial assistance and housing stability services from a payment made under this section.

The Solano County Civil Grand Jury was unable to determine the exact number of evictions that occurred due to the lack of prioritizing these cases.

Months later, Common Ground took its concerns to the Courts, where the evictions are ruled upon. With financial assistance from the county approved by the BOS, the Court established a program to assist tenants who had not paid protected, transitional or recovery rent with the application process to seek recovery relief financial assistance.

V. FINDINGS AND RECOMMENDATIONS

FINDING 1 – After the county selected Option C in February 2021 as the method for Solano County residents to access state and federal emergency rental assistance, the county neglected to sufficiently support that decision with adequate staffing and timely resources.

RECOMMENDATION 1A – Before accepting responsibility from the state for a new, time-limited program, the BOS confirm that realistic, adequate, and knowledgeable internal and contracted staffing will be provided along with support plans to ensure program success.

RECOMMENDATION 1B: Solano County carefully consider the implications of a divided state/county program when they take on a support program. Among other requirements, choose programs aligned at all government levels in qualifications, timelines, and benefits.

FINDING 2 - During the first six months of Solano County ERAP, two critical county staff transitions occurred without sufficient transfer of legacy information from the exiting employee to the new person.

RECOMMENDATION 2A - County Departments develop written and oral communication systems that include supervisors when a program manager is replaced. Human Resources should confirm these systems.

RECOMMENDATION 2B - Before an employee who is part of a special project leaves the county or project, have the computer “shared drive” information reviewed to see if there are unclear or incomplete files before the transition occurs.

FINDING 3 - Technology continued to be a problem throughout ERAP implementation, delaying needed assistance.

RECOMMENDATION 3A - All technology issues be addressed and resolved by stakeholders before program implementation.

RECOMMENDATION 3B - When choosing software for a task, the county understand the needs of the program being implemented before selecting a software vendor.

RECOMMENDATION 3C - When working with a software vendor to implement a new program, confirm with all stakeholders using the product that necessary components of the software are available. All previous information needed for future reference by the program user be seamlessly migrated to the new system.

RECOMMENDATION 3D - When a new software system is required to implement a program with a flexible start date, allow sufficient time for complete field testing and training of all potential users before “going live.”

RECOMMENDATION 3E - The county value the contractor’s researched request for a specific software product.

RECOMMENDATION 3F - DoIT be consistently involved with users of new software.

FINDING 4 - ERAP program materials, including software forms, were not initially translated into Tagalog as mandated by the contract.

RECOMMENDATION 4A - Ensure that all required translation materials are in place by the start of a program.

RECOMMENDATION 4B - During program implementation, ensure all materials, including software forms, are available in languages and formats to meet access needs.

FINDING 5 - Solano County’s agreement with Catholic Charities about the scope of work changed without mutually acceptable written amendments or modifications.

RECOMMENDATION 5 - When a contract with an outside agency is signed, any future modifications about deadlines and service changes should be negotiated and signed before implementation of the modification. This could require a review by the county of its contract process.

FINDING 6 - County staff mistakenly applied regulations and deadlines related to ERAP federal funding.

RECOMMENDATION 6 - Staff responsible for a specific program be educated about all aspects of the program and continue to monitor and communicate changing regulations.

FINDING 7- After being informed by key community stakeholders (Legal Services of Northern California and Common Ground) of the need, county staff did not take a request to the BOS to modify ERAP priorities to allow tenants facing immediate eviction to be prioritized.

RECOMMENDATION 7- When any community organization or individual with relevant expertise raises a valid concern and need to a county department, the authority investigate the legalities of the concern and act accordingly.

COMMENTS

COMMENT 1

The Solano County ERAP has ended. Our intention in this report is to identify areas for improvement that could apply to future situations. The Solano County Civil Grand Jury recognizes that ERAP implementation occurred during challenging times. Choices made with good intentions resulted in an overloaded and understaffed program, impeding the goals and objectives of the program itself. Significant funding was provided across the country and especially in California, but the urgent need exceeded the amount available from the start. Federal funding was first approved for ERAP in early 2021, while many offices were not easily accessible due to COVID-19 restrictions.

COMMENT 2

County staff with authority must be willing to truly listen to the concerns raised by community groups and agencies such as LSNC. This demonstrates a level of professional respect that should be extended to the contractors and subcontractors with whom the county works. Contractors are chosen after a careful review of their capabilities, and county personnel must listen, respond to, and value the recommendations of the subject matter experts with whom it contracts for services.

REQUIRED RESPONSES

Solano County Administrator's Office (All Findings)

Solano County Department of Information Technology (Finding 3 & 4)

Solano County Department of Human Resources (Finding 2)

COURTESY COPIES

Catholic Charities of Yolo Solano
Legal Services of Northern California
Solano County Board of Supervisors
Solano County Superior Court

Exhibit 1: California SB 91 Option Choices by Jurisdiction

OPTION A	OPTION B	OPTION C
<ul style="list-style-type: none">All counties under 200 K population and the cities within them <p>Jurisdictions that opted into state-run program:</p> <ul style="list-style-type: none">City of FontanaCity of OxnardButte CountyContra Costa CountyLos Angeles CountySan Luis Obispo CountySan Mateo CountySanta Cruz CountyTulare CountyVentura CountyYolo County	<ul style="list-style-type: none">City of AnaheimCity of BakersfieldCity of Chula VistaCity of FremontCity of FresnoCity of IrvineCity of Long BeachCity of Los AngelesCity of ModestoCity of SacramentoCity of San DiegoCity of StocktonAlameda CountyFresno CountyKern CountyMarin CountyMonterey CountySacramento CountySan Diego CountySan Joaquin CountySonoma CountyStanislaus County	<ul style="list-style-type: none">City of Moreno ValleyCity of OaklandCity of RiversideCity of San Bernardino – councilmember mtgCity of San JoseCity of Santa AnaCity of Santa ClaritaMerced CountyOrange County – next weekPlacer CountyRiverside CountySan Bernardino County – tomorrowSanta Barbara CountySanta Clara CountySan Francisco City & CountySolano County

Exhibit 2 - Timeline

