



**CITY OF FORT BRAGG**

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**COUNCIL COMMITTEE ITEM SUMMARY REPORT**

**MEETING DATE: APRIL 13, 2020**  
**TO: COMMUNITY DEVELOPMENT COMMITTEE**  
**FROM: SARAH MCCORMICK, HOUSING & ECONOMIC DEVELOPMENT**  
**TITLE: Receive Report and Direct Staff Regarding Implementation of a  
Landlord Relief Fund in Response to COVID-19**

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**BACKGROUND AND OVERVIEW:**

In response to the State of Emergency resulting from COVID-19, Governor Newsom authorized, and encouraged, cities to enact moratoriums on residential and commercial evictions due to lost income stemming from COVID-19. City Council adopted such an ordinance on March 30, 2020 (Attachment 1 – Urgency Eviction Moratorium Ordinance).

In addition to supporting renters, City Council expressed the need to provide assistance to property owners impacted by the loss of rental income and directed staff to develop a mortgage relief program. At the special meeting held on April 6, 2020 staff presented a report for Council’s consideration. The report provided information regarding how the City might take to develop and implement a Mortgage Relief Program (Attachment 2 – Mortgage Relief Program Staff Report).

After receiving the report, City Council directed staff to scale back the scope of the program and bring forward an assistance program utilizing the \$23k from the City Council’s special project fund. This “Landlord Assistance Fund Program” is presented to the Community Development Committee for review and approval.

**SUMMARY:**

The City of Fort Bragg’s Landlord Relief Fund Program would provide assistance to local property owners severely impacted by a loss of revenue due to a tenant/lessee’s inability to pay rent, as a result of COVID-19. Property owners requesting assistance from this financial hardship would be eligible for up to \$2,000 in the form of a zero interest loan.

The City would file a lien on subject property to secure repayment, which the borrower is required to pay back within 180 days of the Shelter-in-Place mandate being lifted.

### **Eligibility Requirements**

Loans would be available to property owners meeting the eligibility requirements listed below. Submitting an application would not guarantee financial assistance, as the funding limit for this program is limited to \$23k and it is unknown how many requests the City will receive.

- Rented properties impacted by the Moratorium must be located within Fort Bragg city limits
- Requester must be a Mendocino Coast resident
- Property owners with four (4) or more Fort Bragg rental units must hold a current City of Fort Bragg business license
- Financial request must be valued at 50% or less of delayed rental payment(s)

### **Application Period**

Applications would be accepted electronically, via a Survey Monkey application, between April 15 and April 30, 2020. Applicants would be contacted the first week of May and funds released by May 15, 2020.

### **Documentation Necessary**

If a request for funding is awarded, the following supporting documentation shall be provided by the borrower prior to disbursement of funds:

1. Picture ID
2. Proof of Ownership
3. Documented proof of delayed rental payment.
4. Written notice from tenant that rent could not be paid because of a COVID-19 reason.
5. Signed Agreement and associated lien, provided by City.

### **RECOMMENDATION:**

Provide direction to staff regarding any changes to the proposed Landlord Assistance Fund Program for implementation of said program.

### **ATTACHMENTS:**

1. Urgency Eviction Moratorium Ordinance
2. Mortgage Relief Program Staff Report
3. Application