

THE SUN-GAZETTE

Visalia looks to receive additional funding for rental assistance

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Visalia City Council approves amendment to help receive additional funding from CARES Act that will provide residents with rental assistance in the fall

VISALIA – Visalia City Council is working to provide community support with rental assistance to people that need it. This upcoming fall, the city can assist working individuals and families who need help with rental costs through a program from the Coronavirus Aid, Relief and Economic Security Act (CARES Act).

At the Visalia City Council meeting on Aug. 1, city council members approved an amended plan presented by the finance department, to best utilize funds from the Community Development Block Grant program CARES Act (CDBG-CV). These funds are used to help the community in preventing, preparing and responding to the COVID-19 pandemic. Due to the city's ability to provide timely assistance with the program in prior years, an additional \$291,599 of CDBG-CV funding was made available to the city. Once the city submits their plan, and if they receive approval, distribution of this funding will not be available until the fall of this year.

The city posted a survey in July asking Visalia residents what type of financial assistance they need most help with, it was determined that of five options, mortgage, utility, food, rental and business assistance, rental assistance received one-third of the votes. Taking the results into consideration, city staff's recommendation to council was to use the available CDBG-CV funding for an emergency rental and mortgage assistance program. City staff recommended the program be restricted to rent

and mortgage assistance only with no utilities included because of the amount of funding made available.

“It’s important to note, all payments under this type of program are made directly to the landlord or mortgage holders and that no cash is provided directly to the recipient of the assistance,” Melody Murtz, assistant finance director with the city, said.

There is a recommended amount of \$2,000 maximum per household assistance that would benefit approximately 116 households. Proof of income eligibility will be required. Staff does not expect to utilize the funds as quickly as prior years, which was spent in approximately nine months. Staff estimates current funding will be fully allocated within six to nine months due to a smaller amount of funds being distributed specifically to rental assistance.

“It’s sad to say it’s probably really needed, because you’d like to think we’re past [the COVID-19 pandemic], but I think it is a great recommendation,” Mayor Steve Nelsen said.

To receive this funding, the city must complete an amendment to the city’s 2019-20 plan for CDBG-CV funding and submit it to the United States Department of Housing and Urban Development (HUD) by Aug. 16.

All funding for CDBG-CV must be spent by June 30, 2027 but there are limitations about the way funds can be spent. The funds must be used to prevent, prepare for or respond to public facility improvements, economic development and public services in regard to COVID-19.

Of the \$291,599 in additional CDBG-CV funding, 20% of funds, \$58,320, is to be used for city administration and the remaining \$233,279 will be distributed to those who need help with rental assistance.

All council members voted in favor of the amended plan for CDBG-CV funding and the motion carried 5 to 0.

“I appreciate [the finance department staff] really focusing this towards working households, people who might not have vacation or sick days left,” Councilmember Brett Taylor said.

In prior years, the city has spent approximately \$1.7 million in CDBG-CV funding. Less than 3% of the funding was spent by the city on administration. Approximately 25% of the funds were used to provide 13,000 food boxes to Visalia citizens through the Central Valley Food Bank. The remainder provided rent mortgage and utility assistance to 427 households through programs administered under contracts with Proteus Inc. and Self Help Enterprises.

The CARES Act began in 2020 in response to the COVID-19 pandemic. From the HUD website, at least 70% of every grant distributed from the program must be used to benefit low and moderate income residents by providing housing, permanent jobs, public services or access to new or improved infrastructure.

Usage of the funds for all activities must benefit communities within the jurisdiction of the grantee or as permitted by the CARES Act. Those activities include public service activities, housing related activities, improvement to public facilities, acquiring property, economic development and general planning and administrative-related activities.