

NB-40

May 24, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary to amend Contract No. 35877 with Yardi Systems, Inc., of Goleta, CA, to continue implementation of the Emergency Rental Assistance Program, to increase the contract amount to incorporate any additional funds received for the Emergency Rental Assistance Program by continuing the terms of the existing contract until all funds are expended but no later than September 30, 2023. (Citywide)

DISCUSSION

City Council approval is requested to increase contract authority with Yardi Systems, Inc. (Yardi), to incorporate any additional funds received for Emergency Rental Assistance Program (ERAP) implementation and to continue assisting eligible renters who have experienced economic impacts due to the COVID-19 pandemic with rental and utility payment assistance.

The City of Long Beach (City) was previously awarded a total of \$30.2 million in funds through the Federal Consolidated Appropriations Act of 2021 (HR 133) and California State Senate Bill 91 (SB 91) to assist low-income renters who have experienced economic impacts due to the COVID-19 pandemic. On February 9, 2021, the City Council directed City staff to reserve the State Block Grant amount of \$16.4 million, conform the City's program to the State's ERA rules, and self-administer a local program combining the State Block Grant with the previously received \$13.8 million federal allocation. These funds are known as ERA1, and on April 6, 2021, the City Council adopted Specifications RFP DV21-034 and authorized Contract No. 35877 with Yardi to provide an online portal and assist with program implementation for ERA1.

On October 12, 2021, the City Council authorized acceptance of an additional \$34.3 million in additional federal and State funding, known as ERA2, and authorized an amendment to Contract No. 35877 with Yardi to expand program services to administer the combined \$64.5 million in funds for both ERA1 and ERA2. Collectively, the ERA1 and ERA2 funds comprise the Long Beach Rental Assistance Program (LB-ERAP). At this time, the City Council also authorized increasing the contract authority with Yardi by \$3.8 million for a revised not to exceed amount of \$5,307,957 and to extend the term of the contract to September 30, 2023.

On May 10, 2022, the City Council authorized the City Manager to accept State Rental Assistance Cashflow Loan Program (Program) funds from the State Department of Housing and Community Development (HCD) to ensure that LB-ERAP would continue without interruption, assisting eligible renters with rental and utility payment assistance. The Program could provide additional funding, in the form of a forgivable loan of up to \$28 million, to continue providing rental relief to all eligible households (whose applications were received as of March 31, 2022) as the City awaits additional federal funding from either ERA1 or ERA2 surplus to fund LB-ERAP.

Because the federal and State resources allocated to LB-ERAP are continually evolving, City staff are requesting approval to amend the existing Contract No. 35877 with Yardi to incorporate any new and future LB-ERAP funding, including but not limited to, State funds from the cashflow loan program. The proposed amendment would retain Yardi's services in exchange for a service fee that is equal to 12 percent of direct assistance disbursed, plus an annual software license fee of one percent of direct assistance disbursed, until all funds are expended, but no later than September 30, 2023. This would ensure the contract provides for continuity of service for case management, processing pending applications, and distribution of funds whenever additional funds are received.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley and Revenue Management Officer Geraldine Alejo on May 18, 2022, and by Purchasing Agent Michelle Wilson on May 19, 2022.

TIMING CONSIDERATIONS

City Council action to amend Contract No. 35877 and increase contract authority with Yardi is requested on May 24, 2022, to ensure State and federal allocations for LB-ERAP can continue, without interruption, to assist eligible applicants who have applied for assistance on or before March 31, 2022.

EQUITY LENS

The City has incorporated the Equity Toolkit in this recommendation as requested by the City Council on April 21, 2020. This recommendation will provide rental and utility payment assistance to Long Beach residents most impacted by COVID-19. All households with income at or below 80 percent of the Area Median Income (AMI), who have experienced financial hardship due to COVID-19, and who have demonstrated housing instability are eligible to apply. As of March 16, 2022, 97 percent of all awarded funds have been directed to residents who earn less than 50 percent of AMI. Moving forward with LB-ERAP, the City will focus on assisting the lowest income residents with past due rental and utility payments.

FISCAL IMPACT

The recommendation will amend the contract and revise service rates to be based on a service fee that is equal to 12 percent of direct assistance disbursed, plus an annual software license fee of one percent direct assistance disbursed. Contract expenditures cannot be projected at this time as it will be based on federal and State funding available for LB-ERAP and associated direct assistance disbursement amounts. The contract will be supported by the administrative allowances provided through federal and State funding. Although the additional funding amount available to the City is not certain at this time, it is anticipated that the City could receive up to \$28 million. When future funding amounts are awarded, the department will return to the City Council with a request for appropriation. This recommendation has a moderate staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. These grants generate a positive impact on job creation and retention in the community.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



OSCAR W. ORCA
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:



THOMAS B. MODICA
CITY MANAGER

REQUEST TO ADD AGENDA ITEM

Date: May 20, 2022

To: Monique De La Garza, City Clerk

From: Thomas B. Modica, City Manager 

Subject: Request to Add Agenda Item to Council Agenda of May 24, 2022

Pursuant to Municipal Code Section 2.03.070 [B], the City Councilmembers signing below request that the attached agenda item (due in the City Clerk Department by Friday, 12:00 Noon) be placed on the City Council agenda via the supplemental agenda.

The agenda title/recommendation for this item reads as follows:

Authorize the City Manager, or designee, to execute all documents necessary to amend Contract No. 35877 with Yardi Systems, Inc., of Goleta, CA, to continue implementation of the Emergency Rental Assistance Program, to increase the contract amount to incorporate any additional funds received for the Emergency Rental Assistance Program by continuing the terms of the existing contract until all funds are expended but no later than September 30, 2023. (Citywide)

Council District	Authorizing Councilmember	Signed by
7	Roberto Uranga	(Digital – attached email)
2	Cindy Allen	(Digital – attached email)
5	Stacy Mungo	(Digital – attached email)

Attachment: Staff Report dated May 24, 2022