



Date: June 18, 2019

To: Patrick H. West, City Manager *PLW*

From: Linda F. Tatum, Director of Development Services *LT*

For: Mayor and Members of the City Council

Subject: **Relocation Assistance Program for Senior and Disabled Tenants**

At its April 2, 2019 meeting, the City Council received a Report on Tenant Assistance Policies, authorized the City Attorney to prepare a Tenant Assistance Ordinance (Ordinance), and approved five tenant assistance policies. At that time, the City Council directed staff to investigate the creation of a City-funded Senior and Disabled Relocation Assistance Program (Program). This memorandum provides information related to the estimated cost of the Program.

Staff has begun initial research and has identified a range of costs relating to the Program's implementation, including start-up activities, ongoing staffing, and funding for relocation assistance. Start-up activities would include designing collateral materials to be printed and mailed, updating the Department of Development Services' web page to include all information and collateral materials relating to the Program, and rolling-out an education and information campaign. The initial cost estimate for developing and distributing materials is \$27,000.

Staff estimates the Department of Development Services would require an Administrative Analyst II position, at a fully-loaded of \$114,529 annually, to implement the Program, including determining and confirming eligibility for city relocation assistance, processing applications, creating a database and tracking system, and monitoring data collection. Ongoing costs of the Program consist of administration costs and relocation assistance payments (\$2,000 per household), with the major cost being the relocation payments. Using a combination of Business License and U.S. Census data, staff estimates there are 24,229 households that might be eligible for senior and disabled relocation payments. This equates to about 34.5 percent of the Long Beach's 70,317 rental units.

Assuming that 1 to 5 percent (242 to 1,211) of these households are eligible for relocation assistance in any given year, staff estimates the ongoing annual cost for relocation payments could range from \$598,529 to \$2,536,529. The preliminary cost estimates are summarized below:

1 Percent Estimate	Initial Year Costs	Ongoing Costs
Startup Activities	\$27,000	--
Staff	114,529	\$114,529
Relocation Assistance	484,000	484,000
TOTAL	\$625,529	\$598,529

5 Percent Estimate	Initial Year Costs	Ongoing Costs
Startup Activities	\$27,000	--
Staff	114,529	\$114,529
Relocation Assistance	2,422,000	2,422,000
TOTAL	\$2,563,529	\$2,536,529

Funding Options

Staff investigated the tenant relocation assistance programs offered by other jurisdictions and found that no other cities in California have implemented an ongoing locally-funded relocation assistance program. Two cities, Santa Monica and Escondido, have established pilot programs for locally-funded tenant rental assistance, on a limited basis. Santa Monica is implementing the Preserving Our Diversity (POD) program by providing rental assistance to extremely low-income, long-term Santa Monica seniors, and Escondido provides a rental subsidy to very low-income seniors while they are on the waiting list for the Housing Choice Voucher Program. Staff has identified the following approaches for implementation of the Program.

- Revise the Ordinance to include the \$2,000 to be funded by landlords.
- Identify existing General Fund programs to cut in favor of funding the Senior and Disabled Relocation Program at a level equal to the 1 percent estimate above, capping the program to 1 percent of the population.
- Establish the Program as a pilot with limited funding up to \$200,000, plus an estimated staff cost of \$67,076, from the General Fund based on funding availability scenarios. Those funds would need to be identified by the City Council as part of the FY 20 budget, and the funds would be provided on a first come first served basis.
- Implement the Ordinance without the Program for a period of one year. This will allow staff to collect detailed data on the number and types of households that are paid relocation assistance under the provisions of the Ordinance. This data will then be used to determine the annual sustainable funding levels required to implement the Program on an ongoing basis.

Staff can also research funding from State or County sources earmarked for homelessness prevention. However, these programs are typically income-restricted to low- and very low-income tenants, and are designed mainly to prevent homelessness. Should this funding be available, it could be used to partially fund the Program, though additional funding would need to be identified to assist senior and disabled tenants whose incomes do not fall in these brackets.

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Next Steps

Staff will continue to research programs to identify a source of ongoing funding for the program, and will seek City Council direction on how to proceed.

If you have questions regarding this matter, please contact Patrick Ure, Housing and Neighborhood Services Bureau Manager, at Patrick.Ure@longbeach.gov or at (562) 570-6026.

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