



Legislation Text

File #: 21-1022, **Version:** 1

Recommendation to request City Manager to work with the Department of Development Services to evaluate the feasibility of establishing, in accordance with state and federal auditing requirements, a single Emergency Rental Assistance application for landlords with multiple tenants in communities at elevated risk of eviction. This funding would cover past rental arrears and up to three months of future rental obligation for eligible tenants. Participation in this program should allow tenants whose rental debt was covered an additional 90 days of protection from eviction past the final date of payment of back rent, and

Direct the Department of Development Services to publicize data regarding the rental assistance program on a public dashboard.

Long Beach has been a leader among cities in the recovery from the COVID-19 pandemic. The Long Beach Recovery Act (LBRA), one of the first municipal COVID-19 recovery packages in the nation, secured the City more than \$250 million in state and federal funding to address COVID-19.¹ Among those dollars are the \$64 million allocated by the state and federal governments to Long Beach's Rental Assistance Program, which has spent over \$18 million and helped over 2,500 households to date with rental and utility payments during the public health crisis. Long Beach's program has been among the top-performing in California, receiving recognition from the US Treasury for efficient management and already outlaying approximately 29% of its total rental assistance award, compared to the state average of 22%.² By comparison, neighboring Los Angeles closed its municipal rental assistance program at just 18% allocated, returning the rest of its money to the California Department of Housing and Community Development to operate the program on Los Angeles' behalf. As a shining example among majority-renter cities in California, Long Beach should continue to innovate around lowering administrative burdens for eligible tenants and landlords, not only to help its own residents, but to provide a model for other cities.

The Problem

Despite ranking above peer cities in rental assistance provided, the eviction crisis tenants face requires a more significant response. At its current rate of rental assistance disbursement, Long Beach will not be able to pay out its full allocation until August of 2022. The program still has over 6,000 unfilled applications, as well as 8,500 applications sitting incomplete, possibly due to a tenant's inability to locate necessary paperwork.

The strict paperwork burdens placed on tenants in order to receive assistance have not only led to lower program take-up, as demonstrated in a May 2021 Urban Institute Study³, but also inequalities in take-up, as relatively higher income qualifying households (those who make 40 -80% of area median income) have been more likely to receive rental assistance payments

than those households who make up the 0-40% AMI bracket. Those low-income renters who were able to qualify for unemployment benefits based on past work history or have been able to find jobs during the pandemic are also the renters more likely to be able to document their income via paystubs, have proof of COVID-19 related hardship, and be able to prove their risks of housing insecurity, as the program requires in most cases.

For Long Beach's lowest income renters, many of whom are undocumented or struggle with access to broadband internet, producing these forms is not as simple as it may sound.⁴ The Development Services Department, responsible for administering these funds, has done commendable work in using self-attestation in combination with various income proxies in order to expedite the distribution of assistance. However, the digital divide persists for those renters who cannot fill out online forms without help or are already slipping through the cracks of other federal programs the city uses as income proxies, most of which require similar documentation up front.

These inequalities also manifest along racial lines. Before Los Angeles returned its rental money to the state, its program had disbursed a plurality of its funds to White tenants, despite Black and Hispanic renters making up most of the applicants to the City's program.⁵ With program issues likely aligning with Los Angeles, Long Beach needs to lower paperwork burdens on its most vulnerable tenants if it wants to ensure an equitable recovery and prevent its poorest residents from falling into homelessness.

The Opportunity

On August 25th, the US Treasury Department released a set of seven additional policies to encourage state and local governments to expedite emergency rental assistance.⁶ Among those policies was a declaration that "State and local grantees may advance assistance to landlords and utility providers based on estimated eligible arears. To speed assistance, Treasury is establishing guidelines for providing a portion of estimated bulk payments to landlords and utility providers in anticipation of the full satisfaction of application and documentation requirements. These changes balance the need to assist households served by larger landlords and utilities with the need to protect taxpayers."

A streamlined, single application process would allow property owners or tenants to organize around submitting one application for large groups of vulnerable tenants in possible eviction clusters, which would help get ERAP money out faster, ensure more tenants are covered under the program, and ensure the most vulnerable tenants get help.

This policy, if implemented in Long Beach, creates an opportunity for the City to develop a proactive process that batches tenants based on vulnerability and geography. This would begin by identifying clusters of incomplete applications, potentially in a single building or neighborhood. This program would draw from the success of Long Beach's rental assistance to the Carmelitos Housing Project, which used a single landlord application to cover all the project's tenants, and from states like Kentucky, which implemented a zip-code-based income

proxy to reduce the administrative burdens on tenants, landlords, and local governments. Other proxies, like impact maps of COVID-19, number of applications in a given building, and even rental arrears that fall substantially below 80% area median rent could also be used to screen requests for advance payments.

This new application process would lift the paperwork burdens on individual tenants, allow for a single application submitted by a given property owner to cover all qualifying tenants in buildings they own, and encourage organized tenant groups to work directly with landlords in locating neighbors who are at risk of eviction and getting them help. It would make the process of distributing rental assistance money easier, more administratively efficient, and more collaborative. The administrative efficiency point is key here - another Treasury policy mentioned in the August 25th memo states that, “beginning September 30, 2021, the ERA1 statute requires Treasury to recapture excess funds that have not been obligated by a state or other grantee and reallocate those resources to high-performing jurisdictions that have obligated at least 65% of their original allocation.”

If Long Beach continues to improve on its already high performance, the City may be in line to receive substantial additional rental assistance grants, which can be used to protect more tenants, add administrative capacity, and even fund right-to-counsel programs for tenants who end up in court.

By utilizing the flexibility these new rules have provided, Long Beach has an opportunity to continue to lead by being the first city in California to implement a truly community-focused rental assistance program, by identifying the property owners whose tenants are most at risk, reaching out proactively, and covering multiple tenants with a single application. With the eviction crisis looming, now is the time for Long Beach to take this step.

Equity Statement

The Framework for reconciliation calls on the city to “Publicly provide data to show inequities in housing,” a goal this item would advance. The framework notes that 75% of black residents are renters, and that black women in particular face incredibly high rent burdens - 63% of households headed by black women pay more than 30% of their income in rent. In a recent study conducted by the Joint Center for Housing Studies at Harvard University, 19.4% of Asian households, 19.5% of Hispanic households, and 22.6% of black households nationwide reported being behind on rent during the pandemic, compared to just 9.8% of white households. 8.7% of Hispanic households and 9.7% of black households believed they would likely be evicted in the next two months.⁷ Improving our rental assistance program will be an important step towards solving these inequities.

The recommendation requests the City Manager to work with the Development Services Department to evaluate the feasibility of establishing a single Emergency Rental Assistance application for landlords with multiple tenants in communities at elevated risk of eviction and to publicize data regarding the rental assistance program on a public dashboard. The requested action is anticipated to have a moderate impact on staff hours beyond the

budgeted scope of duties and a moderate impact on existing City Council priorities due to staffing capacity and diversion from other projects.

Approve recommendation.

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