

October 12, 2021

R-20

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute all Block Grant Award documents on behalf of the City, and any documents necessary including necessary amendments, to participate in the second round of the State Rental Assistance Program;

Authorize the City Manager, or designee, to execute all documents necessary to amend Contract No. 35877 with Yardi Systems, Inc., of Goleta, CA, to provide ERAP implementation, to increase the contract amount by \$3,800,000, for a revised not to exceed amount of \$5,307,957, and to extend the term of the contract to September 30, 2023; and,

Increase appropriations in the Community Development Fund Group in the Development Services Department by \$13,099,702, offset by grant revenues. (Citywide)

DISCUSSION

City Council approval is requested to adopt a Resolution and accept additional State Block Grant funding for the Emergency Rental Assistance Program (ERAP) and to increase contract authority with Yardi Systems, Inc. (Yardi), for program implementation and to assist 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 staff to reserve the State Block Grant amount of \$16.4 million, conform the City's program to the State's ERAP rules, and self-administer a local program combining the State Block Grant with the previously received \$13.8 million federal allocation. Collectively, these funds are known as ERAP1. On April 6, 2021, the City Council authorized a contract with Yardi to provide an online portal and assist with program implementation for ERAP1.

Since that time, the City has been awarded an additional \$34,304,643 in combined federal and State funding, known as ERAP2. Since the program funding has doubled, and to ensure continuity of service with the distribution of funds from ERAP1 to ERAP2, as well as improve

case management, an amendment to the existing contract with Yardi is needed. Modification to Yardi's contract is recommended to expand program services. Administering the ERAP1 program requires significant additional case management not contemplated at the program's inception. Although Yardi significantly underestimated the cost of providing their services for ERAP1 it did not request any further compensation. The proposed amendment will increase the level of service provided by Yardi by adding additional case workers to accelerate the pace of funding distribution.

This matter was reviewed by Deputy City Attorney Richard F. Anthony and Budget Management Officer Rhutu Amin Gharib on September 24, 2021.

TIMING CONSIDERATIONS

City Council action is requested on October 12, 2021, to ensure State and federal expenditure deadlines are met.

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. However, the City will prioritize assistance to residents who earn less than 50 percent of AMI and who have been unemployed for more than 90 days. This action will allow the City to work directly with tenants and landlords to assist with past due rental and utility payments.

FISCAL IMPACT

The City will receive an additional \$34,304,643 in funding for ERAP2, for a total of \$64,463,788 in federal Allocation and State Block Grant funds for rental assistance. The requested action increases contract authority with the firm assisting in program implementation, Yardi, by \$3,800,000, for a revised total amount not to exceed \$5,307,957. Yardi contract costs will be covered by an administrative allowance provided by the grant funds. The federal allocation of the ERAP2 allocation was previously budgeted, but the State Grant funds were not. Therefore, an increase in appropriation in the amount of \$13,099,702 is requested in the Community Development Grants Fund Group in the Development Services Department, offset by grant revenue. There is no match or in-kind requirement to receive these funds. 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. ORCI
DIRECTOR OF DEVELOPMENT SERVICES

ATTACHMENT: RESOLUTION

APPROVED:



THOMAS B. MODICA
CITY MANAGER

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH, CALIFORNIA AUTHORIZING
5 PARTICIPATION IN THE STATE RENTAL ASSISTANCE
6 PROGRAM – 2
7

8 WHEREAS, on March 11, 2021, the American Rescue Plan Act of 2021
9 (Pub.L. No. 117-2) (“ARPA”) was signed into law. Section 3201 of ARPA established the
10 federal Emergency Rental Assistance Program (“ERAP2”), and authorized the direct
11 allocation of emergency rental assistance funds to states, the District of Columbia, units of
12 local government, and territories. The ERAP2 funds are intended to assist low-income
13 households that have experienced financial hardship due to the COVID-19 pandemic, are
14 unable to pay for rent and utilities, and are at risk of experiencing homelessness or housing
15 stability; and

16 WHEREAS, California Assembly Bill No. 832 (2021-2022 Reg. Sess.) (“AB
17 832”) established the State of California’s program for administering its share of ERAP2
18 funds (the “SRA2,” “State Rental Assistance Program – 2,” or “SRA2 Funds”). AB 832
19 amended Chapter 17 (commencing with Section 50897) of Part 2 of Division 31 of the
20 Health and Safety Code. Health and Safety Code section 50897.1, subdivision (a)(1)
21 authorizes the Department of Housing and Community Development (the “Department”) to
22 administer the SRA2 Funds in accordance with state and federal law; and

23 WHEREAS, on May 13, 2021 the City of Long Beach (“Locality”) received an
24 allocation of ERAP2 funds from the U.S. Department of the Treasury (“Treasury”) in the
25 amount of \$21,204,940.40 (such amount, the Locality’s “Direct ERAP2 Allocation”); and

26 WHEREAS, Locality plans to administer its Direct ERAP2 Allocation, and
27 acknowledges that the Direct ERAP2 Allocation is subject to the requirements of ARPA
28 and the Treasury’s interpretive guidance, and to all such requirements as may be

1 subsequently amended; and

2 WHEREAS, Locality desires to receive an allocation of SRA2 Funds pursuant
3 to Health and Safety Code section 50897.2.1, subdivision (a)(1) or (2) (such allocation, a
4 “Round 2 Block Grant Award”). Locality submitted its request for a Round 2 Block Grant
5 Award to the Department in accordance with Health and Safety Code section 50897.2.1,
6 subdivision (c)(1); and

7 WHEREAS, Locality acknowledges that every Round 2 Block Grant Award
8 is subject to state and federal requirements, including, without limitation, the requirements
9 of AB 832 and the Department’s guidelines, the relevant requirements of ARPA and the
10 Treasury’s interpretive guidance, and all such requirements as may be subsequently
11 amended (collectively, the “Round 2 Block Grant Award Requirements”); and

12 WHEREAS, Locality further acknowledges that every Round 2 Block Grant
13 Award is subject to the terms and conditions of a Department-approved STD 213, Standard
14 Agreement (“Standard Agreement”), all other documents required or deemed necessary
15 or appropriate UNDER STATE OR FEDERAL LAW to allocate the Round 2 Block Grant
16 Award, and all amendments thereto (collectively, the “Round 2 Block Grant Award
17 Documents”);

18 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
19 follows:

20 Section 1. Locality is hereby authorized and directed to accept a Round
21 2 Block Grant Award in a total amount not to exceed \$13,099,702.12.

22 Section 2. Locality is hereby authorized and directed to enter into,
23 execute, and deliver the Round 2 Block Grant Award Documents, which shall include a
24 Standard Agreement in a total amount not to exceed \$39,299,106.36.

25 Section 3. Locality is hereby authorized and directed to assume
26 responsibility for administering the Round 2 Block Grant Award in accordance with all
27 Round 2 Block Grant Award Requirements.

28 Section 4. Thomas B. Modica, City Manager, or his designee, is

1 authorized to execute the Round 2 Block Grant Award Documents on behalf of the
2 Locality for participation in the State Rental Assistance Program – 2.

3 Section 5. This resolution shall take effect immediately upon its adoption
4 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

5 I hereby certify that the foregoing resolution was adopted by the City Council
6 of the City of Long Beach at its meeting of _____, 2021 by the
7 following vote:

8
9 Ayes: Councilmembers: _____

10 _____

11 _____

12 _____

13 Noes: Councilmembers: _____

14 _____

15 Absent: Councilmembers: _____

16 _____

17 Recusal(s): Councilmembers: _____

18 _____

19 _____

20 _____

21 _____

22 _____

City Clerk

23 _____

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25 _____

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28 _____