



Legislation Text

File #: 21-1060, **Version:** 1

Recommendation to adopt resolution authorizing 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 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)

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.

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.

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

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.

Approve recommendation.

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OSCAR W. ORCI
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

THOMAS B. MODICA

CITY MANAGER