Date: January 28, 2022
To: Thomas B. Modica, City Manager
From: Oscar W. Orci, Director of Development Services
For: Mayor and Members of the City Council
Subject: Long Beach Emergency Rental Assistance Program (LB-ERAP) and Keep Long Beach Housed Update

Background

Through the Federal Consolidated Appropriations Act of 2021 (HR 133) and California Senate Bill 91 (SB 91), the City of Long Beach (City) was awarded a total of $30.2 million in funds 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 Emergency Rental Assistance Program (ERAP) rules, and self-administer a local program combining the State Block Grant with a 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 Systems, Inc. (Yardi), to provide an online portal and assist with program implementation of ERAP1. Since that time, the City has been awarded an additional $34.3 million in combined Federal and State funding, which is known as ERAP2. The City also updated its contract with Yardi to expedite case processing and payments by adding additional Yardi case auditors and call center support.

Keep LB Housed

On October 5, 2021, the City Council prepared the Keep Long Beach Housed: Streamlined Single Application Process for Emergency Rental Assistance Program (Keep LB Housed) directing the City Manager to work with the Department of Development Services to evaluate the feasibility of a single application for landlords with multiple tenants and the ability to provide past and future rental arrears in communities with elevated risks for evictions. The purpose of this memorandum is to provide an update regarding the status of the Long Beach Emergency Rental Assistance Program (LB-ERAP) and the related Keep LB Housed request.

With the revision of the Yardi contract, which increased case management staff, the pace with which LB-ERAP has reviewed, approved and processed payments has improved. The City is on average distributing $1 million or more per week in assistance payments. To date, $30.4 million has been distributed, and $18.3 million in requested assistance has been approved by case auditors and ready for distribution. Combined, this $48.7 million equals 86 percent of the
City's total ERAP allocation, excluding program delivery and administration costs. All Program funds are expected to be disbursed or processed by April 2022.

So far 3,928 unique households have been assisted through LB-ERAP. Of these, 3,772 households received arrears assistance, which included 774 households that also received future rent payment assistance. 156 households received only future rent assistance. Of the total 3,928 households, 2,170 (55 percent) also received utility arrears assistance.

The Keep LB Housed memorandum identified strict program requirements (including significant paperwork) as a potential burden on lower income renters, as well as limited access to the internet in communities of color as a factor limiting access to rental assistance. More specifically, the memorandum noted that households who earn 40 to 80 percent of area median income (AMI) may be more likely to receive rental assistance payments than those households who make up the 0 to 40 percent AMI bracket. Although the digital divide is certainly a barrier, the majority of resources (70 percent to date) have been spent on households earning less than 30 percent AMI. The LB-ERAP has been designed to prioritize the most vulnerable households to lessen the likelihood of individuals and families becoming unhoused. The table below provides a breakdown of the applicants assisted by income levels to date.

<table>
<thead>
<tr>
<th>Income Level of Applicants</th>
<th>Number of Applicants Assisted</th>
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<tbody>
<tr>
<td>30% AMI or below</td>
<td>2,775</td>
</tr>
<tr>
<td>31 to 49% AMI</td>
<td>910</td>
</tr>
<tr>
<td>50 to 80% AMI</td>
<td>243</td>
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</table>

The success in reaching lower-income households can be partially attributed to extensive outreach efforts via pop-up events and partnership with multi-lingual community-based organizations (CBOs) and reassignment of staff to provide intensive application support for those who need it most. A total of five CBOs (Heart of Ida, Housing Long Beach, Puente Latino Association, United Cambodian Community, and YMCA of Greater Long Beach) were brought under contract to provide outreach and application assistance across a diversity of neighborhoods, particularly those most impacted by the pandemic. The Development Services Department Housing and Neighborhood Services Bureau (Bureau) staff also conducted pop-up events throughout the City to assist applicants with completing applications and uploading documents. These events provided hands-on assistance to 1,243 residents who have difficulty accessing or using technology and understanding the requirements of the application, as well as submitting all required documents. As recommended in the Keep LB Housed, the City has created a data dashboard summarizing program progress. This dashboard, called the LB-ERAP Weekly General Report, is available online (longbeach.gov/lberap) and is updated weekly. The latest General Report as of January 25, 2022 is included as Attachment A.

City staff also explored the feasibility of establishing a single Emergency Rental Assistance (ERA) application for landlords with multiple tenants in communities at elevated risk of eviction. City staff have carefully reviewed U.S. Treasury and State ERA regulations and determined that one application cannot be submitted on behalf of multiple tenants or households. According to the U.S. Treasury, ERA stipulates three eligibility criteria that each household
must meet: income eligibility (80 percent AMI or below), COVID impact, and risk of homelessness. These criteria must be documented for each household applying under the ERA program. Likewise, U.S. Treasury requires that a unique case number be created for each household and reported to U.S. Treasury. Therefore, one application submitted for multiple applicants would not comply with federal reporting requirements.

To address this issue, the City and Yardi have been working in tandem to process applications more efficiently and expedite cases for large, previously vetted property owners/landlords that have multiple tenants, such as Grisham Community Housing or Carmelitos Public Housing. In instances where a property owner or property management company has numerous tenants applying for rental assistance, staff are working directly with a single point of contact for each landlord to troubleshoot all their cases for processing and payment. City staff conducts reviews of all outstanding cases for a landlord and provides information on the specific missing or incomplete documents needed from each individual tenant application. City staff are also available to provide technical assistance and upload the missing documents into the cases when needed, allowing them to escalate the review of complete cases to Yardi so their Case Auditor and Case Supervisor can quickly review complete cases without repeated requests for missing or incomplete documents. This focused assistance is resulting in faster payments to landlords with multiple tenants.

Finally, the U.S. Department of the Treasury (U.S. Treasury) offered jurisdictions the opportunity to apply for funds that had been recaptured from ERAP1 grantees who had not expended their funds by the required deadlines. The City applied under this opportunity but was not selected to receive additional funds. The U.S. Treasury stated that there are insufficient recaptured funds to distribute to all grantees. However, the U.S. Treasury has announced that grantees may apply for the next round of reallocated ERAP1 funds by January 21, 2022. The first opportunity to apply for ERAP2 reallocated funds will start in April 2022. City staff will closely monitor timing of application release to apply for additional funding.

For any questions regarding this matter please contact Oscar Orci, Director of Development Services, at oscar.orci@longbeach.gov or (562) 570-6369.
The Long Beach Emergency Rental Assistance Program Update

The Long Beach Rental Assistance Program (LB-ERAP) application period began on April 12, 2021, and will remain open until funds have been exhausted. A breakdown of application and disbursement activity as of January 25, 2022, is shown below.

<table>
<thead>
<tr>
<th>LB-ERAP Application Data as of January 25, 2022</th>
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<tbody>
<tr>
<td><strong>30,904</strong></td>
</tr>
<tr>
<td>Total Registered Applicants</td>
</tr>
<tr>
<td>$181.4M</td>
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<tr>
<td>Total Assistance Requested</td>
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*Submitted by either a tenant and landlord (8,861) or by a tenant only (4,240)

**Application Activity**
- There are a total of **30,904** applicants who have either registered or completed their applications.
- There are currently **16,379** files (cases) that have been opened by either a tenant, landlord, or both.
- There are currently **13,101** completed applications that have been submitted by either a tenant and landlord (8,861) or submitted by a tenant only (4,240). Applications submitted by tenants where the landlord was invited to apply but has not are in review to determine eligibility and payment directly to the tenant.
- Applications are reviewed based on the priority group the applicant falls under. All priority groups are currently under review with an estimated total of **$181.4M** in requested rental and utility assistance to date across all priority groups. Of that, **$5.4M** is for assistance with utility payments.
- Yardi continues to provide assistance via its support line and has assisted **53,828** callers to date.
- In-person application assistance pop-ups have been temporarily suspended due to the recent surge in COVID-19 cases.

**Disbursement Activity**
- To date, a total of **4,159** payments have been completed totaling **$30.4M**. Additionally, **3,070** utility payments totaling **$1.5M** have been made. Of this, **$419,724** was made to the City for City-owned utilities.
- Yardi has requested funds for another **59** applicants totaling **$375,800**. Once funds are received by Yardi, payments will be made to property owners or tenants.
- Yardi case supervisors have approved **56** applications totaling **$601,300** which will be included in the next invoice to the City.
- There are currently **1,317** applications totaling **$17.3M** that have received initial approval for payment by Yardi case auditors and have been submitted to case supervisors for their final approval.