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OAKLAND

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# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Michele Byrd  
Director, HCD

**SUBJECT:** Status Report on Implementation of  
The Rent Adjustment Program  
Improvements

**DATE:** April 28, 2017

City Administrator Approval

Date:

5/11/17

## RECOMMENDATION

**Staff Recommends That The City Council:**

- 1) **Accept A Status Report On Implementation Of The Rent Adjustment Program Improvements Highlighted In The Performance Audit Dated June 27, 2016; And**
- 2) **Adopt A Resolution Authorizing The City Administrator To Amend The Agreement With Tomorrow Partners, LLC In An Amount Of \$55,500 For A Grand Total Contract Amount Not To Exceed \$305,500 To Perform A Database And Website Redesign For The Rent Adjustment Program; And Waiving The Competitive Proposal Solicitation Requirement.**

## EXECUTIVE SUMMARY

The current situation of soaring rents in Oakland has had a significant impact on the increased number of petitions filed with the Rent Adjustment Program (RAP) over the past five years. A City Auditor's performance audit of the RAP, released on June 26, 2016, identified the RAP as being unable to meet its responsibilities to administer the Rent Ordinance.

The Auditor's Report made recommendations to assist the RAP in meeting its obligations. Based on the recommendations, staff has taken steps to:

- Redesign the RAP website to increase access to information;
- Create an online case management system;
- Hire additional staff;
- Schedule more appeal hearings;
- Set and begin to implement additional training goals for the Rent Board; and
- Conduct aggressive outreach aimed at tenants and property owners, and organizations offering assistance.

The goals for the next quarter are to complete the hiring of additional staff, schedule more appeal hearings where possible, work with the Revenue Management Bureau around

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collections and the RAP budget, and continue to develop new outreach strategies. Additionally, over the next year, RAP will be working with the Information Technology Department (ITD) to continue to update and increase the functionality of RAP digital services, improving access to City services and information regarding tenant and property owner rights and protections.

## **BACKGROUND / LEGISLATIVE HISTORY**

On July 26, 2016, the City Council received a presentation from the City Auditor on the Performance Audit of the RAP (**Attachment A**). The scope of the audit covered Fiscal Years 2014-2015 and 2015-2016. The objective of the audit was to ensure the RAP is meeting its mission and goals to administer the Rent Ordinance. The Ordinance promotes relief to residential tenants through the limitations of rent increases, while fostering investment in residential rental properties.

This performance audit identified the following ten (10) findings with recommendations for improvements to the RAP:

- 1) Rent Board positions being filled in a timely manner;
- 2) Formalized training program for Rent Board members;
- 3) Appeal packets readily available to Board members;
- 4) Case and Appeal Decisions readily available for online access;
- 5) Increasing RAP caseload has strained resources and management has not focused on efficient processes;
- 6) Current case management system is not adequate;
- 7) RAP's public outreach program does not provide the education needed for the tenant and property owner;
- 8) RAP meeting facilities for the Public Hearings are inadequate;
- 9) A comprehensive list is needed of properties which require fee assessment under the RAP or Just Cause Ordinance; and
- 10) RAP Budget to adequately account for current financial operations.

As a result of the Auditor's Report, the City Council directed staff to provide a follow up report on the status of the implementation of the recommendations.

## **ANALYSIS**

The Auditor's report was, "a review of where the RAP is today in light of the existing housing landscape and is intended to assist management in determining how the City can effectively support the program to service the needs of its tenants, property owners, and community stakeholders."<sup>1</sup>

As a result, staff has taken steps to address the audit findings, focusing on the immediate needs of the RAP. These steps include:

- Assessing the need for additional staffing;

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<sup>1</sup> Pg 1. *Performance Audit of the City of Oakland Rent Adjustment Program*

- Updating the appeal process;
- Redesigning the RAP website;
- Creating an online case management system, and
- Expanding public outreach and training.

***Finding 1: Rent Board Positions are not filed in a timely manner.***

The Auditor's Report first finding identified Rent Board positions as not being filled in a timely manner leading to delays in the appeal process. The report recommended increasing the number of Rent Board alternate members, limiting the impact of Rent Board member absences on quorum for Rent Board meetings.

In response to this recommendation, the number of alternate Rent Board positions increased from three to six, pursuant to Ordinance No. 13373 C.M.S. To date, all regular and alternate positions have been filled, with the exception of an additional alternate property owner member.

Currently, there is a backlog of approximately 75 cases. In an effort to clear the backlog, three meetings (two regular meetings and one panel) have been scheduled per month for the past seven months. However, even with additional alternate Board members, there have been two cancellations due to lack of a quorum during the last six months. The Board subsequently adopted another method to notify Board members of upcoming meetings. The new method involves RAP staff notifying the Board of the meeting dates for each month, and each Board member, regulars and alternates, responding to verify attendance. Staff will then notify the entire Board if additional members are needed to make a quorum on one of the scheduled dates. These changes are meant to directly address the problem of last minute cancellations.

**Table 1** below shows the increase in petitions and appeals over the past five years.

**Table 1: RAP Petition and Appeal Data by Fiscal Year**

| Fiscal Year         | #Of Petitions/ Other Filings | #Of Appeals | # of Rent Board Meetings |
|---------------------|------------------------------|-------------|--------------------------|
| 2011-2012           | 385                          | 20          | 23                       |
| 2012-2013           | 411                          | 39          | 16                       |
| 2013-2014           | 551                          | 82          | 19                       |
| 2014-2015           | 739                          | 98          | 24                       |
| 2015-2016           | 864                          | 99          | 20                       |
| 2016-2017 (to date) | 752                          | 83          | 18                       |

In order to clear the backlog of appeals cases, the RAP will begin scheduling meetings every week when additional staff begin in June 2017. At least two RAP staff would have to be assigned to coordinate the process in order for appeals to be heard each week. Additional appeal hearings will also impact the City Attorney's Office, as a City attorney is present at each meeting. However, scheduling weekly meetings may not adequately address the backlog. Even with a fully staffed Board, the number of petitions being filed continues to grow, which translates into more appeals.

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Appeal hearings are held from 7:00pm to 10 p.m. per the Rent Ordinance. In the event that weekly Board meetings do not adequately clear the backlog, staff will determine if it is possible to hold additional special meetings outside of those hours in order to address the backlog.

**Table 2** below shows the increase in petition filing during the current fiscal year.

**Table 2: RAP Petition and Appeal Data from July 1, 2016 through March 31, 2017**

| Month / Year                     | # Of Petitions Filed | # Of Appeals Filed |
|----------------------------------|----------------------|--------------------|
| July 2016                        | 55                   | 5                  |
| August 2016                      | 71                   | 4                  |
| September 2016                   | 77                   | 11                 |
| October 2016                     | 86                   | 8                  |
| November 2016                    | 75                   | 7                  |
| December 2016                    | 60                   | 7                  |
| January 2017                     | 71                   | 4                  |
| February 2017                    | 116                  | 6                  |
| March 2017                       | 110                  | 18                 |
| <b>TOTAL</b>                     | <b>724</b>           | <b>70</b>          |
| <b>Average Filings Per Month</b> | <b>80</b>            | <b>8</b>           |

Pursuant to Ordinance No. 13391 C.M.S. and by the passage of Measure JJ in November 2016, property owners are required to file petitions for rent increases except for Banking and the CPI allowable rent increase effective February 1, 2017. Notable for February and March: over 100 petitions were filed, which is a significant increase over filings for the previous seven months. However, even with the law changes that require property owners to file petitions, the bulk of petitions are still being filed by tenants as shown on **Table 3** below:

**Table 3: Filings for February/March 2016 & 2017**

| Month/Year     | Owner Petitions | Tenant Petitions | Other Filings |
|----------------|-----------------|------------------|---------------|
| February/ 2016 | 9               | 53               | 0             |
| February/ 2017 | 24              | 87               | 5             |
| March/2016     | 4               | 52               | 0             |
| March/2017     | 25              | 85               | 0             |

The number of petition filings from tenants may be attributed to the unusually large number of Enhanced Notices (approximately 200) received in January, before the February 1 deadline. Filing an Enhanced Notice was required under the previous ordinance for capital improvement rent increases. Hence, the exact impact of the new requirement for property owners to file petitions for rent increases may not be apparent for several months.

Based on the average monthly number of filings from the beginning of the fiscal year through March 31, the anticipated number of petitions and other filings by the end of FY 2016-2017 is between 900 and 1000. The number of appeals is anticipated to be nearly the same or slightly higher than in FY 2015-2016.



***Finding 2: A formalized training program is not in place for Rent Board members.***

Historically, Rent Board training has been conducted once a year. In addition, new Board members were given an orientation by RAP staff. The Auditor's Report recommended that training be conducted over the course of a year.

In response to the Auditor's report, staff has communicated to the Rent Board that training will be conducted at least three times per year. Training was conducted in March 2017 regarding the role of the Board and Robert's Rules. Subsequent training will be focused on RAP Regulations prior to February 1, 2017 and the new Regulations adopted by the City Council and by the passage of Measure JJ effective February 1, 2017<sup>2</sup>. RAP staff continues to meet with new Board members, providing the Rent Ordinance and Regulations and other material that will assist them.

*Appeal Packets*

Beginning October 20, 2016, the Rent Board packets have been posted on the RAP Website seven days before the appeal hearing. Packets are now mailed and e-mailed upon request. Previously, packets were only distributed by U.S. mail.

Staff is also working on creating Rent Board user types in the new online case management system. These user types would allow Rent Board members the ability to view cases directly online through the database rather than waiting for the packet to be complete.

*Case Indexes*

At this time, there are two indexes available on the RAP website: an appeal index and an exemption index. These indices will assist the public to easily find decisions by subject matter and to find units exempt under the Rent Ordinance. Staff is currently creating an index of decisions that have not been appealed. The decisions listed in the indices will be posted on the website. In the interim, the public can ask for a copy or to review any case listed in the indexes.

***Findings 3-6: RAP Website and Online Case Management System***

The 2016 Performance Audit identified four key findings related to access of RAP materials and RAP processes:

- Finding 3: Appeals packets and preparatory materials are not always readily available to Board Members;
- Finding 4: Case and Appeal Decisions are not readily available for online access;
- Finding 5: The increased caseload has strained RAP resources; management has not focused on efficient processes; and
- Finding 6: The current case management system is not adequate.

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<sup>2</sup> Training on the old regulation is necessary because there are several new Board members and cases now on appeal for at least the next 12 months, are cases subject to the old rules.

Based upon these findings, a redesign of RAP digital services and business process became a priority of and the *Resilient Oakland* playbook. Additionally, as a key recommendation of the Mayor's Housing Cabinet, \$365,000 was allocated for a RAP database software redesign in the FY 2016-2017 Mid-Cycle Budget.

On August 16, 2016, the City's Chief Resilience Officer, with *pro bono* support from Frog Design and 100 Resilient Cities, held an evening design workshop to inform a Request for Proposals (RFP) on the RAP database redesign. The workshop included representatives from the City Auditor's Office, RAP, East Bay Rental Housing Association, Causa Justa: Just Cause, Centro Legal de la Raza, Oakland Tenant's Union, as well as tenants and property owners familiar with the RAP petitioning process. Findings from the August 16, 2016 design workshop can be found in **Attachment B**.

A competitive RFP for an online case management system and website redesign was issued on September 6, 2016. The competitive RFP process resulted in two bids. Staff chose Tomorrow Partners because of their focus on utilizing a human-centered design process to make the system more intuitive to the end user, limiting the need for extensive staff and community training. Tomorrow Partners also proposed using an iterative design process, allowing RAP staff and community members many opportunities to provide feedback on the design and content of these new systems as they were developed.

Staff worked closely with ITD to develop a system that ITD could immediately take over supporting. By developing within the existing technology capabilities of ITD, staff focused on developing a lightweight system that could be easily upgraded using internal resources and thus reducing long term operations and maintenance (O&M) and licensing costs. Additionally, a lightweight system would allow for the ability to eventually integrate with other existing City systems and databases.

Work began on both the online case management system and website redesign with an internal kickoff meeting on October 27, 2016. To complete the project on time and within budget, staff and Tomorrow Partners worked on both the online system and website redesign concurrently with an official launch for both systems on March 13, 2017.

#### Online Case Management System

The new RAP Online Case Management system provides the public with the ability to file and manage their RAP petitions online through a computer or mobile device. Once the user makes a system login, five forms are available for online filing: Tenant Petition, Property Owner Response to a Tenant Petition, Property Owner Petition, Tenant Response to a Property Owner Petition, and an Appeal Form. Additionally, users are able to request translation services and continue to file and view case documentation, including documentation uploaded from another party. The system allows petitions to be filed by Third-Party Users as well (individuals filing on behalf of another individual). To ensure equitable access to the RAP, individuals are still able to file petitions using a paper-based form, which staff can add to the online system on the backend.

Internally, RAP staff are able to assign and manage cases filed online through the system. As cases are updated and case statuses change, the system automatically notifies all parties

connected with the case. To comply with document retention policies, all case documents are automatically filed with the election document retention system and are in full compliance. A specific Rent Board user account type is also being created to provide access to case information electronically for Rent Board members, complementing the existing process of mailing RAP case files.

Development of the Online Case Management System emphasized rethinking the RAP petition process to make it more streamlined and easier to navigate. To inform this development, staff and Tomorrow Partners performed extensive user research and stakeholder outreach, including many of the individuals who attended the initial design workshop. The purpose of this research and outreach was to identify the pain points in the petitioning process both internally and within the community. The findings from this outreach and research directly informed the online system and website designs, while also providing insights into ways the RAP petitioning process could be made more effective. An overview of these findings can be found in **Attachment C**.

With these findings, Tomorrow Partners began work on preliminary wireframes, which provided a basic design of what an online system might look like. Using these wireframes, staff and Tomorrow Partners met with RAP staff and community members to receive feedback on the design. Feedback was then incorporated through several design iterations. Once the design was finalized, Tomorrow Partners began development of the online case management system. Beginning in late January 2017, a functional online system was developed and released to staff and community partners to receive final input and identify system bugs and glitches. A final round of user testing, provided *pro bono* by the Civic User Testing Group (CUTgroup), identified final feedback from five (5) Oakland residents unfamiliar with the work today. Feedback included immediate fixes and future concerns. A review of these findings can be found in **Attachment D**.

After a final round of review and content updates to reflect the ordinance changes approved by the City Council on February 7, 2017, the first version of the RAP online case management system was launched on March 13, 2017.

### Website

Development of the RAP website happened concurrently with the creation of the Online Case Management system, utilizing feedback collected during user research, stakeholder outreach, and the iterative design process. A key takeaway from this outreach was the inaccessibility of the layout and content of the RAP website at that time. To address these concerns, the new RAP website completely redesigned the content and layout of the previous edition, while also increasing ADA accessibility and mobile-responsiveness. The website was reduced from 85 individual webpages on the old website to just 16 webpages on the new website. Webpages were redesigned to highlight key topics and issues identified through user research and community feedback. Additionally, a complete content overhaul was performed focusing on making the content more accessible and more accurate when translated, resulting in the new website averaging an 8th grade reading level as opposed to a post-graduate 22nd grade level on the old website.

A feedback form was also included in the new RAP website to allow the public to provide recommendations for ways to improve the RAP digital services. As feedback came in, staff worked to respond and incorporate the recommendations where possible. For example, one

suggestion was to include direct links to videos of past Rent Board meetings. Staff incorporated this feedback and links to videos of Rent Board meetings are now added once they become available.

#### *Approval of Contract Amendment with Tomorrow Partners*

Staff is recommending that City Council approve an amendment to the initial RAP Database Redesign Contract with Tomorrow Partners. The amendment would increase the contract amount by \$55,500 to a total contract amount of \$305,000. This amendment would cover O&M expenses incurred in March 2017 due to complications with the Oracle R12 roll-out, limited ITD capacity at that time (due to the Oracle R12 roll-out), and expenses related to content updates to reflect changes made to the Rent Adjustment Ordinance pursuant Ordinance No. 13418 C.M.S.

Pursuant to approving this contract amendment for \$55,500, the City Administrator recommends the Council make a finding and determination to waive the requirements of OMC section 2.04.042 and authorize the City Administrator to amend the Agreement with Tomorrow Partners, LLC given the (1) original contract went through a competitive bidding process, and (2) urgent need and mission critical nature of completing the RAP website and database redesign project on-time.”

Funding for this amendment to the initial Tomorrow Partners contract would be covered by funds remaining in the initial \$365,000 appropriation in the FY2016-2017 Mid-Cycle Budget.

#### Next Steps

Since the launch of the first version of the online case management system, staff received feedback internally and from the public regarding new functionality that could be added based on the real life user experiences. Staff has been working with ITD to develop a scope of work to incorporate the following new features based upon this feedback:

- Building Level Petitions,
- Increased Staff Reporting and Noticing Features,
- Integration with other City systems and databases,
- Publicly Searchable Database,
- Online Reporting Dashboard, and
- Increased Security Measures.

Staff expects these new functionalities to roll-out in several releases throughout FY 2017-2018. The costs for these new features are estimated at \$325,000. Funding for these updates would come from the remaining funds unspent from the initial \$365,000 allocation in the FY2016-2017 budget and funds from the RAP fee.

In addition to new functionality, staff is beginning to scope the transfer of historical RAP case records into the new database. This work will likely require a larger manual effort to scan and enter in these case files, which are almost completely paper-based. However, the result of this

work will be an extensive public database with information on RAP findings and trends in the rental housing market.

***Finding 7: The RAP's Public Outreach Program does not provide education needed for tenants and property owners.***

During the user research and stakeholder outreach of the RAP database and website redesign process, staff and Tomorrow Partners found that many of those interviewed were concerned with the inaccessibility of information on the RAP website regarding their rights and responsibility as tenants and property owners. In some instances, individuals filed RAP petitions, starting a legal process, simply to seek answers about their rights and responsibilities. This usually resulted in wasted time for both the public and RAP staff.

Since the website is often the first point of contact for the public and RAP, staff and Tomorrow Partners focused on making the new RAP website an important tool to increase public education. Webpages were designed to provide clear answers and direction where necessary for navigating the RAP process. Some examples of this design include:

- A "Petition Process" page and graphic was created explaining each step of the RAP process and what a property owner and tenant could expect at each step;
- A "Laws" page was created providing an overview of the regulations that govern the RAP;
- A glossary page was created to help explain complex legal terms which may be used during the RAP process; and
- A Frequently Asked Questions (FAQ) page was developed to provide individuals with quick answers to questions that otherwise would have required a phone call to RAP staff for an answer.

Finally, as stated earlier, the content was written at an 8th grade reading level in order to be more accessible. More accessible content also allows for more accurate translation of webpages. Staff included a "Google Translate" tool on the website allowing for the website to be translated into over forty (40) different languages.

In addition to the work conducted on the website, RAP has conducted extensive outreach to tenants and property owners over the last fiscal year. This additional outreach included conducting trainings for property owners, tenants, and service providers, attending street festivals, and delivering information regarding regulations changes by direct mail to property owners and tenants. ***Attachment E*** contains specific information about the events attended and the audience size at each.

*Property Owner Contract*

In November, 2016, a Request for Qualifications (RFQ) was issued for a contractor to provide informational workshops and counseling to small property owners in Oakland (those who own 15 units or less). Staff is currently in the process of finalizing a scope of services which is expected to be executed in May 2017.

As part of this this scope of service, staff has included conducting multi-faceted outreach, conducting at least four (4) informational workshops per year, with the goal of assistance at

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least 100 property owners, and providing counseling and strategic assistance to qualifying property owners. The property owner contractor will also hold regular office hours at the Housing Assistance Center (HAC).

#### *Office Hours*

The tenant contractors (Centro Legal de la Raza) requested office hours at the HAC because most clients come directly to the RAP for legal advice or advocacy. With this structure, the contractor was better able to assist the tenants in need of help by holding regular office hours.

#### ***Finding 8: The meeting facilities for the Public Hearings are inadequate.***

As part of the Performance Audit, the Auditor found there were only a few city dedicated spaces set aside for RAP hearings; all posing potential security risks. The Auditor recommended designing dedicated professional and secure office spaces for hearings and other public business of RAP which are separate from staff work areas.

Staff is currently in process of scheduling a security audit of the RAP space to inform potential upgrades to the work area. Once complete, staff will begin the process of implementing any necessary changes.

#### ***Finding 9: A comprehensive list is not available of properties which require fee assessment under RAP or Just Cause ordinances.***

The RAP is working with the Revenue Management Bureau around the following issues:

- Accuracy of revenue collection; and
- Monitoring the RAP budget.

As part of these efforts, the Revenue Management Bureau is overhauling their database to allow for better and more accurate tracking of business taxes and revenue collection. Once complete, the City will be better able to identify, track, and collect business taxes and the RAP fee from properties that are required to pay under the existing ordinance.

Staff is also consulting with a rent control expert to determine the cost and other factors involved in instituting a registration system for Oakland. The results of the analysis will be presented in a separate report.

#### ***Finding 10: The RAP Budget does not adequately account for current financial operations.***

On July 21, 2016, The Program Service Fee (Fee) was increased from \$30 per unit to \$68 per unit pursuant to Ordinance No. 86334 C.M.S. The increase in the Fee has enabled the RAP to hire additional permanent and temporary staff. Two permanent Hearing Officers have been hired (one had previously been a temporary Hearing Officer). A permanent Administrative Assistant and a temporary Program Analyst II have also been hired.

The following positions are in the process of being filled:

- Permanent Program Analyst II
- Permanent Program Analyst I
- Temporary Office Assistant
- Part-time Specialty Combination Inspector

**Table 3** shows what the staffing composition will look like once the additional positions are all added.

**Table 3: Current and Additional RAP Staff**

| Current RAP Staff   | # of Current Positions | Additional Staff | Status of Positions  |
|---|------------------------|------------------|--|
| Manager   | 1                      | 0                | Permanent FTE  |
| Senior Hearing Officer  | 1                      | 0                | Permanent FTE  |
| Hearing Officers  | 4                      | 0                | Permanent FTE  |
| Program Analyst III   | 1                      | 0                | Permanent FTE  |
| Program Analyst II  | 2                      | 1                | Permanent FTE  |
| Program Analyst II  | 1                      | 0                | Temporary  |
| Program Analyst I   | 0                      | 1                | Permanent FTE  |
| Administrative Assistant I  | 3                      | 0                | Permanent FTE  |
| Office Assistant I  | 0                      | 1                | Temp   |
| Specialty Combination Inspector   | 0                      | 1                | Permanent Part time  |
| <b>Other Departments</b>  |                        |                  |  |
| City Attorney's Office  |                        |                  |  |
| D.C. Attorney V   | 1                      | 0                | Permanent FTE  |
| D.C. Attorney III   | 1                      | 1                | Permanent FTE  |
| Paralegal   | 1                      | 0                | Permanent FTE  |
| Legal Assistant   | 1                      | 0                | Permanent FTE  |
| <b>Revenue</b>  |                        |                  |  |
| TEO, Receptionist, Cashier, Rev. Assist., Operations Supervisor, Auditor, Analyst Manager | --                     | --               | All Permanent FTE; a percentage of each is charged to RAP. |
| <b>TOTAL</b>  | 21                     | 5                |  |

When adding additional staff is complete, there will be 16 permanent positions in the RAP office and two temporary positions. Given the increase in all areas of RAP operations over the past five years, all of the above positions are vital to successful service delivery. Having an adequate number of Hearing Officers ensures that petitions will be heard in a timely manner. Program Analysts work directly with the public, manage cases, and provide support for Rent

Board activities. The Administrative Assistants performance a multitude of duties required under the Rent Ordinance and the Just Cause Ordinance.

### **FISCAL IMPACT**

Funding for this amendment to the initial Tomorrow Partners contract would be covered by funds remaining in the initial \$365,000 appropriation in the FY2016-2017 Mid-Cycle Budget.

### **Waiver of Competitive Proposal Solicitation Requirement**

The proposed amendment to the Agreement with Tomorrow Partners, LLC is considered a new contract and subject to Oakland Municipal Code "OMC" Section 2.04.042. The OMC requires a multiple-step solicitation process for contracts for the combined purchase of products and professional services. OMC Section 2.04.042 D. provides an exception to the multiple-step solicitation requirements of the OMC upon a finding and determination by the City Council that it is in the best interests of the City to do so.

Staff recommends that the Council find and determine that it is in the best interest of the City to waive the multiple-step solicitation process requirements for the amendment of the Agreement with Tomorrow Partners, LLC. We make this recommendation for the RAP Project based on the following factors. There is an increasing urgency and mission-critical to complete the RAP project. Additionally, Tomorrow Partners, LLC were properly and thoroughly vetted via an RFP/Q process during the procurement phase of the project and are already deeply familiar with the RAP. Related to the above, there are unique efficiencies for the City by contracting with the consultants who are already on site and well-versed in the City's technology infrastructure and the RAP.

### **PUBLIC OUTREACH / INTEREST**

This report did not require any additional public outreach further than the required posting on the City's website. However, a more efficient program that promotes relief to residential tenants while fostering investment in Oakland rental properties is of high importance to the community. Therefore, public outreach will continue to address all of the issues presented in this report.

### **COORDINATION**

This report was coordinated with the City Attorney's Office and the Budget Office.

### **SUSTAINABLE OPPORTUNITIES**

#### ***Economic:***

- Preserve the affordable housing inventory for families, seniors, and disabled people in the City of Oakland;

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- Protect tenants from exorbitant rent increases while encouraging owners to invest in the housing stock of the City.

***Environmental:***

- Mitigate adverse environmental impacts resulting from existing rental housing;
- Encourage cohesion and vested interest of owners and tenants in established neighborhoods.

***Social Equity:***

- Improve the landscape and climate of Oakland's neighborhoods by encouraging long-term tenancies in Oakland rental housing;

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council:

- 1) Accept A Status Report On Implementation Of The Rent Adjustment Program Improvements Highlighted In The Performance Audit Dated June 27, 2016; And
- 2) Adopt A Resolution Authorizing The City Administrator To Amend The Agreement With Tomorrow Partners, LLC In An Amount Of \$55,500 For A Grand Total Contract Amount Not To Exceed \$305,500 To Perform A Database And Website Redesign For The Rent Adjustment Program; And Waiving The Competitive Proposal Solicitation Requirement.

For questions regarding this report, please contact Connie Taylor, Program Manager at (510) 238-6246.

Respectfully submitted,



MICHELE BYRD

Director  
Department of Housing and Community  
Development

Prepared by:  
Connie Taylor, Program Manager  
Residential Rent Adjustment Program

Attachments: (5)

- A: *Performance Audit of the City Of Oakland Rent Adjustment Program*
- B: Summary of August 16, 2016 RAP Workshop
- C: *Rent Adjustment Program Portal Research Findings & Implications November 14, 2016*
- D: Summary of Civic User Testing Findings
- E: List of outreach events in FY 2016-2017



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June 27, 2016

OFFICE OF THE MAYOR  
HONORABLE CITY COUNCIL  
CITY ADMINISTRATOR  
CITY ATTORNEY  
CITIZENS OF OAKLAND  
OAKLAND, CALIFORNIA

**RE: Performance Audit of the City of Oakland Rent Adjustment Program**

Dear Mayor Schaaf, President McElhaney, Members of City Council, City Administrator Landreth and Oakland Citizens:

Over the past four years, Oakland has seen tremendous growth in jobs and opportunities for its citizens. And yet, housing has not kept up with this pace and home prices and residential rental rates have increased to the point that many Oaklanders can no longer afford to live in this city — a city in which the majority of its residents are renters.

The Rent Adjustment Ordinance was adopted in 1980 by the Oakland City Council to provide stable housing to tenants and to encourage investment in residential rental properties. Since then, there have been amendments to further strengthen tenant protections.

The objective of this audit was to confirm that efficiencies are utilized to enhance the process and that appropriate controls are in place so that the Rent Adjustment Program (RAP) is successful in meeting its intended goals—to administer the Rent Adjustment Ordinance that promotes relief to Oakland residents and limits rent increases and promotes investment in residential rental housing.

The audit provides for recommendations that are intended to assist the City in supporting the RAP and developing action plans for improvement. Specifically, our recommendations call for timely appointments of vacant positions on the Rent Board, a formal training program for Rent Board members, and a broader outreach and education program to tenants and landlords that leverages newer technologies and embraces the City's commitment to transparency.

The audit recommends changes to the Rent Program fee, proposing to increase the fee to be between \$63 to \$70 per unit per year. This recommendation is contingent upon the City Administrator's thorough review of the listing of residential rental properties in Oakland, to determine accurate billings of rental properties covered under the RAP and Just Cause Ordinances.

Other recommendations relate to budget monitoring, review of workflow processes, upgrading city offices to be better suited for public hearings, review of resource needs and ordinance redundancies to achieve greater efficiencies, and the institution of a quality review program.

I want to express our appreciation to the Oakland Housing & Community Development Director and her staff for their cooperation during this audit and to their commitment to the mission and goals of the Rent Adjustment Program.

I am most appreciative of the work conducted by the students assigned to this project under the UC Berkeley Goldman School of Public Policy's Introduction to Policy Analysis class. Their contributions to the audit's recommendations for public outreach are thoughtful, comprehensive and forward-thinking.

Respectfully submitted,

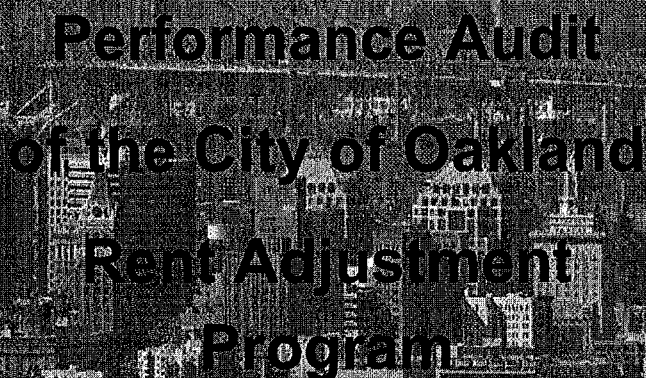


BRENDA D. ROBERTS  
City Auditor

Enclosure

cc: Michele Byrd, Director, Housing & Community Development  
Margaret O'Brien, Interim Director, Department of Revenue  
Kirsten LaCasse, Interim Controller

City Auditor  
Brenda Roberts  
CPA

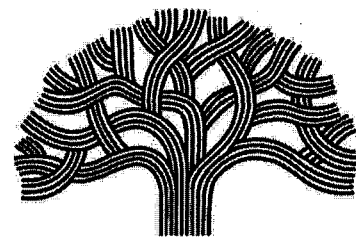


Performance Audit  
of the City of Oakland  
Rent Adjustment  
Program

June 27, 2016

Audit Team:  
Alessia Dempsey  
CIA  
Audit Consultant

Mark Howard  
Carnes  
Performance  
Auditor



CITY OF OAKLAND

OFFICE OF THE CITY AUDITOR

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## **APPENDIX A – A Best Practices Analysis of Municipal Landlord & Tenant Education and Outreach**

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# **Introduction & Background**

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## **Executive Summary**

The Rent Adjustment Ordinance was adopted in 1980 by the Oakland City Council to provide stable housing to tenants and to encourage investment in residential rental properties.

Rental housing rates have increased approximately 34% since 2011 making Oakland one of the most expensive rental markets in the U.S. Tenants filing claims for rent hikes greater than the allowable limit have increased over the same period by more than 50% to 723 in FY2015, the highest in the past 7 years. Rent Adjustment Program (RAP) staff had to contend with this increase in petitions and cases without a corresponding increase in staffing and resources. This trend is not sustainable.

City Administrative staff manages the on-going operations of RAP: accepting petitions, conducting hearings and performing public outreach. The Housing Residential Rent-Relocation Board (Rent Board) adjudicates appeals and proposes policy updates taking into consideration legislative, economic, and industry changes. The Rent Board is comprised of volunteers appointed by the Mayor.

This audit is a review of where the RAP program is today in light of the current housing landscape and is intended to assist management in determining how the City can effectively support the program to service the needs of its tenant, landlord, and community stakeholders.

The objective of this audit is to ensure the Rent Adjustment Program is meeting its mission and goals—to administer the Rent Adjustment Ordinance that promotes relief to residential residents through the limitations of rent increases while fostering investment in residential rental housing properties.

The audit recommendations can assist City Administration in developing action plans that will result in RAP operational stability as a resource platform for tenant, landlord and community stakeholders. These recommendations propose to maximize workflow efficiencies to ensure timely resolution of tenant and landlord petitions.

Housing disputes between tenants and landlords must be resolved timely. The increase in petitions filed over the past several years is a factor in the bottleneck of scheduling hearings and appeals, and the delays in finalizing cases. Management should hire temporary employees to help alleviate the backlog.

Rent Board member absenteeism exacerbates delays. Board meetings were canceled 26% of the time in 2015 due to lack of a quorum and hearings had to be rescheduled. Board appointments must be prioritized and a formal training program developed to

## **Introduction & Background**

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provide adequate instructions to carry out the Rent Adjustment Ordinance and relevant City policies and procedures.

Adopting and keeping up with current technologies will ensure RAP operational efficiencies, provide transparency to the public, and broaden stakeholder outreach and education. This should include implementing an automated case management system, updating websites to facilitate access to program information including upcoming Rent Board meetings and RAP caseload and decisions statistics, and the use of social media to broadcast events relevant to rental housing.

RAP management needs to focus on improving process efficiencies, including workflow analysis to identify opportunities to leverage staff and limit document handling. Management should review the Rent Adjustment Ordinance for cumbersome legislation that exacerbates process delays and create a dedicated professional office space for hearings.

The Rent Program Service fee (Program fee), currently \$30 per rental unit per year, funds RAP operations. It is assessed to owners of properties covered under the Rent Adjustment or Just Cause for Eviction Ordinances. Neither RAP nor the Department of Revenue maintains a comprehensive list of these properties to validate the completeness and accuracy of assessments. Revenue management estimates that as many as 10% of property owners possibly overpay and, conversely, it is also probable that other owners of properties not included in Revenue's Business Tax system are not billed at all.

Forecasted RAP revenues are based on this incomplete and inaccurate information which should be revised once the City Administrator puts a plan in place to maintain an accurate database of properties that must comply with the ordinances.

The audit includes an analysis of the RAP budget and its financial results. It includes historical, current, budgeted, and projected revenues and expenditures, without taking into account the aforementioned potential revenue adjustments. Expenditures currently exceed revenues. At this current rate of spending, the accumulated reserve from prior years will be depleted within the next fiscal year. We recommend increasing the annual Program fee to at least \$63 from \$30 per unit, not accounting for potential revenue adjustments. This is based on our analysis as well as the expected costs of implementing the audit recommendations, which include systems upgrades.

Finally, management should develop and monitor the RAP budget in detail, confirming that current and projected expenditures and allocations are valid and add value to RAP operations and stakeholders.



## Introduction & Background

### Housing availability and affordability crisis

The Bay Area is experiencing significant economic and population growth bringing with it a demand for available and affordable housing that continues to exceed the supply for new and longtime residents alike.

| City              | Housing Units Built (2010 - 2014 <sup>1</sup> ) | Occupied housing units |
|-------------------|---|------------------------|
| Oakland, CA       | 711   | 155,918                |
| Sacramento, CA    | 581   | 177,578                |
| Berkeley, CA      | 212   | 45,569                 |
| San Francisco, CA | 1,732   | 348,832                |
| San Jose, CA      | 2,028   | 310,584                |
| Portland, OR      | 2,043   | 252,185                |
| Sunnyvale, CA     | 612   | 54,267                 |
| Seattle, WA       | 5,365   | 290,822                |

Population increased by 22,000 (2010 - 2014)

Source: U.S. Census Bureau - American Fact Finder

Skyrocketing rents have become routine. Oakland was named the fifth most expensive rental market in the country in February 2016, where a one bedroom apartment averages \$2,290/month.<sup>2</sup>

Many Oakland residents, particularly from lower socio-economic groups, have already been adversely impacted by the increasing pressures of the rental housing market. This has likely contributed to increased displacement, including homelessness.

According to the 2016 Oakland City Mayor's report on housing titled "A Roadmap Towards Equity," the City's African-American population declined by 24% in the past decade,<sup>3</sup> owing much to the increased financial burdens of finding and maintaining affordable rental housing.

<sup>1</sup> Includes all residential units.

<sup>2</sup> O'Brien, D. (February 2016). *Zumper National Rent Report: February 2016*. Retrieved from <https://www.zumper.com/blog/2016/2/zumper-national-rent-report-february-2016/>

<sup>3</sup> Rose, K. & Lin, M. (2015). *A Roadmap Towards Equity: Housing Solutions for Oakland, California*. Retrieved from <https://www.policylink.org/sites/default/files/pl-report-oak-housing-070715.pdf>

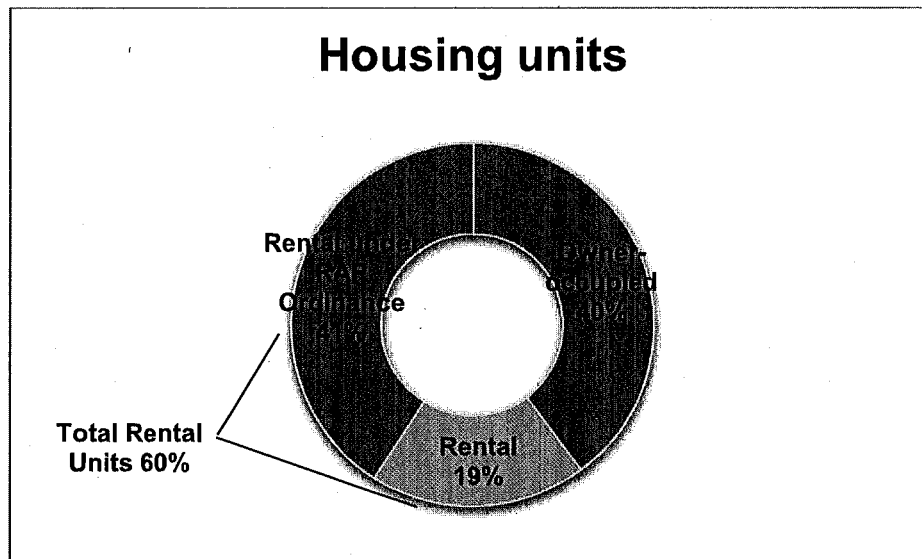
## Introduction & Background

### Rent Adjustment Ordinance (RAP Ordinance)

The RAP Ordinance was adopted in 1980 by the Oakland City Council as an alternative to strict rent control<sup>4</sup> and to encourage open communication and foster a climate of understanding between tenants and landlords.

RAP is responsible for adjudicating certain disputes and petitions brought forward under the RAP Ordinance and to ensure compliance with the Just Cause for Eviction Ordinance (Just Cause Ordinance).<sup>5</sup>

There are approximately 156,000 occupied<sup>6</sup> units of housing in Oakland. Of those units, approximately 60% (approximately 94,000) are rentals and 40% (approximately 62,000) are owner-occupied. Rent increases and other management practices for properties built and occupied before January 1, 1983, are guided and directed by the RAP Ordinance. These RAP properties account for 41% (63,981) of occupied housing units.



<sup>4</sup> OMC §8.22.

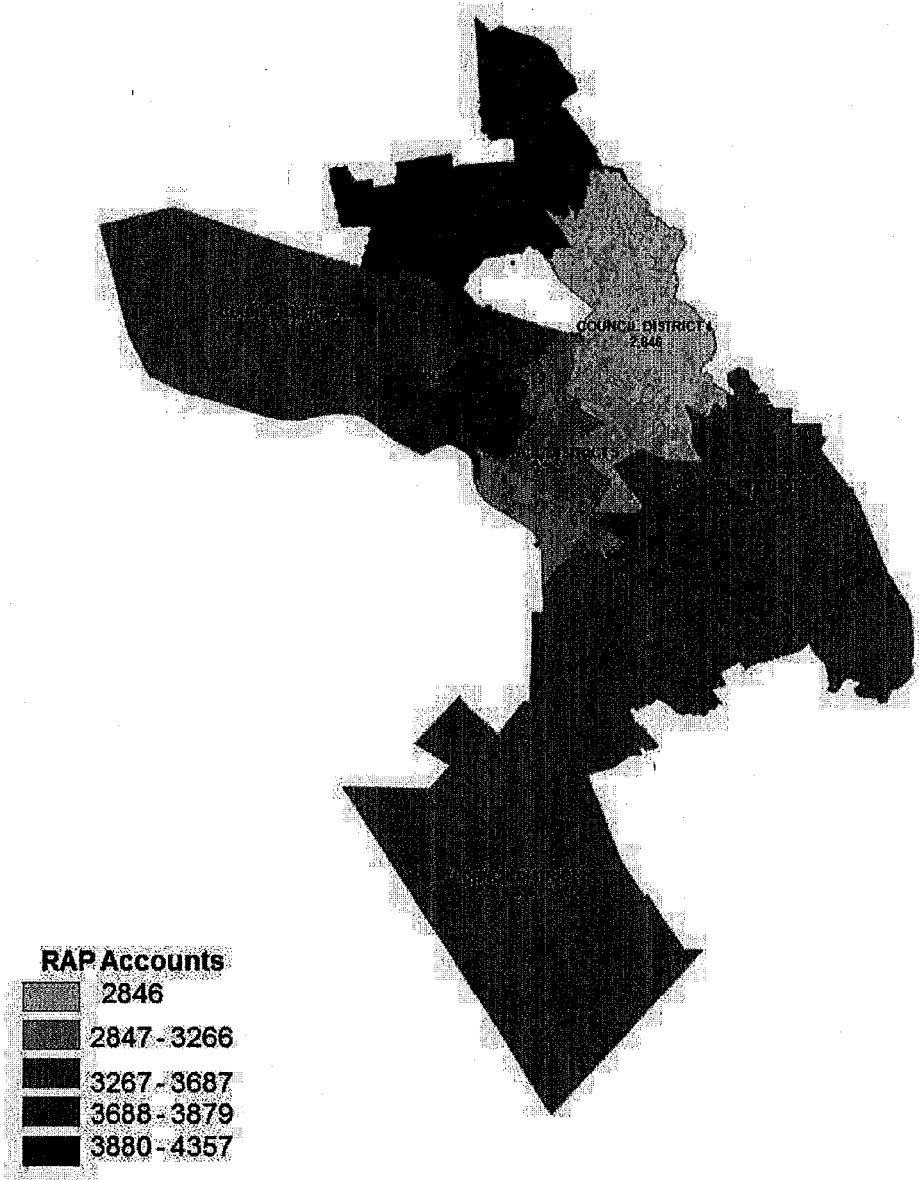
<sup>5</sup> OMC §8.22.300.

<sup>6</sup> Source: US Census Bureau: American Fact Finder

## Introduction & Background

Residential rental units and buildings covered under the RAP Ordinance are located throughout the city. The map that follows shows the distribution by RAP accounts. These are not shown as individual residential rental units, but as Business Taxpayer accounts.

### Rental Adjustment Program Accounts by Council District



Source: City of Oakland, Department of Revenue, Business Tax taxpayer system of record

# Audit Results

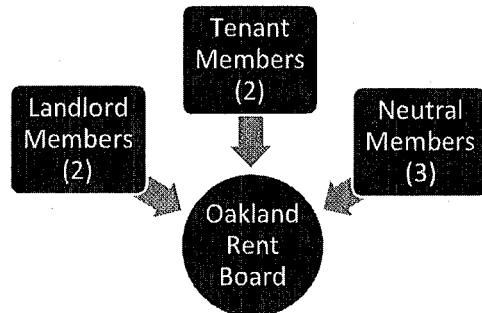
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## Housing Residential Rent-Relocation Board (Rent Board)

The Rent Board is a city created board comprised of volunteer members, appointed by the Mayor and confirmed by the City Council.<sup>7</sup> Members of the Rent Board adjudicate Hearing Officer decisions that are appealed by landlords and tenants.

Other Rent Board functions include making recommendations for regulations and changes to the RAP Ordinance, and adopting regulations for the Just Cause for Eviction Ordinance and Oakland's Ellis Act Tenant Protections.

The seven-member Board is comprised of two landlord members, two tenant members, and three neutral members. A quorum requires four members present with, at minimum, one representative from each category and an additional member from any of the three categories.



The Rent Board represents the City of Oakland as one of its governing bodies and conducts the city's business by establishing policy and adjudicating rulings. As such, it should fully represent the city in a professional manner in the administration and execution of its duties.

Board functions are serious and critical to the community. Members should be diligent in board meeting attendance and objective in their deliberations, regardless of the board seat they fill (tenant or landlord). Open board seats must be filled promptly in order to ensure a quorum is always met at the regularly scheduled meetings. Cancellations due to lack of quorum delays the hearing and adjudication of petitions.

### **Finding 1: The Rent Board positions are not filled in a timely manner**

The audit found that the Rent Board quorum was not met in six out of twenty-three (26%) scheduled meetings in 2015. Consequently, meetings were canceled and cases and other business of the Board were rescheduled to later meetings. Appeals were delayed for as many as six months. Currently, there is a six month to one year backlog of hearing appeals.

These delays adversely impact both tenants and landlords. Once a petition begins, the proposed rent increase by a landlord is suspended until the case is resolved. If the

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<sup>7</sup> OMC Article VI Section 601.

## Audit Results

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board confirms a decision in favor of the landlord, the tenant will be responsible for the additional rent from the date of the rent increase. In some instances, these appeals have been delayed for so long that the cumulative rent increase can be burdensome for the tenant.<sup>8</sup>

We noted two instances of the appeal process extending for more than 2 years. Another petition took more than 13 months to confirm that the property was in fact exempt from the Ordinance.

### Recommendation:

A proposal to increase the number of Rent Board alternates was presented to City Council in order to address the backlog of appeals.<sup>9</sup> The intent of this proposal is to provide sufficient volunteer Board members so that single absences will not result in a lack of quorum and disrupt case appeals scheduling.

The Mayor is responsible for appointing members to open Board positions and must fully communicate to appointees their responsibilities and obligations as members of this Board including attendance. Attendance records should be provided to the Mayor on a semiannual basis<sup>10</sup> so that members not fulfilling their duties can be replaced with others who can step up to the required Rent Board responsibilities.

### Finding 2: A formalized training program is not in place for Rent Board members

Board members must be knowledgeable of the ordinance, possess an understanding of rental and housing practices, and should be fully familiar with *Robert's Rules of Order*, by which City of Oakland public meetings are professionally conducted.

The City Attorney and the RAP management have provided training to Board members in the past consisting of the responsibilities of the member, RAP Ordinance topics, and the protocols for public meetings under Oakland's procedures and guidelines. The current practice provides training on an annual basis – an orientation is given to newly appointed Board members. City Attorney staff also make themselves available for questions and clarifications from Board members, prior to Rent Board meetings and during the proceedings.

The current process does not adequately prepare members for all of the RAP Ordinance responsibilities and meeting procedures they are charged with. Board members absent for the annual training may not fully understand their duties as Board members.

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<sup>8</sup> The Hearing Officer may order Rent adjustments for overpayments or underpayments over a period of months. OMC §8.22.110(E)(4).

<sup>9</sup> <https://oakland.legistar.com/calendar.aspx> 04/26/16 Special Community & Economic Development Committee Agenda Item 4.

<sup>10</sup> OMC §8.22.040(B)(3).

## Audit Results

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### Recommendations:

- A training program should be developed for Board members that is content-focused relevant to the RAP Ordinance, RAP regulations, policies and procedures, and includes case studies and past decisions by Hearing Officers and the Rent Board. This program should be scheduled over the course of the year with expected time frames for completion. In some instances, the training may be presented at regular Board meetings in short time segments. Such sessions will benefit tenants, landlords, and other attending members of the public. Additionally, videos can be produced so that Board members can view them at their convenience.
- RAP management should track the progress of the training sessions and include completion information and Board member attendance records in the semi-annual report to the Mayor.

### Finding 3: Appeals packets and preparatory materials are not always readily available to Board members

Appeals packets include the tenant petitions, responses, evidence documents, and the decision of the Hearing Officers. These are mailed to each Board member one week prior to the Rent Board meeting scheduled for these appeals. A Board member related that these documents are generally received late, allowing for only one or two days for preparatory review.

The time required to compile, copy, and mail the packets twice a month creates an unnecessary burden on the RAP staff and results in an ineffective process—time could be better spent on other tasks. As the number of appeals has increased during the past few years, this problem has compounded.

The e-Government Act of 2002<sup>11</sup> provides guidelines to promote easier public access to government information and to improve administrative processes, recommending greater use of internet-based technologies. Although this directive relates to federal activities, the intent can be well taken—fostering the use of technology to improve access and efficiency is a worthwhile effort.

### Recommendations:

The Rent Board should adopt a communication strategy that allows for ease of access and use for different types of users. This must include internet-based technology.

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<sup>11</sup> The **e-Government Act of 2002** enacted on December 17, 2002, with an effective date for most provisions of April 17, 2003. Establishes a Federal Chief Information Officer within the Office of Management and Budget. (Pub.L. 107-347, 116 Stat. 2899, 44 U.S.C. §101, H.R. 2458/S. 803).

## **Audit Results**

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- Appeals packets should be scanned and uploaded to the RAP website as soon as practical and prior to the Rent Board meetings. This allows the Board members to prepare adequately in advance, ensuring informed decision-making. These can also be mailed upon request to stakeholders without readily available internet access.
- The Board should formulate an accessible on-line public communication strategy that provides interested parties with all appropriate information in advance of the meeting and other relevant staff reports.

### **Finding 4: Case and Appeal Decisions are not readily available for online access**

Petition hearings and Rent Board meetings are public and their decisions should be made available to the public.<sup>12</sup> This ensures an open and transparent process and allows for the appropriate scrutiny of tenants and landlords. Providing the basis for the determination of cases can be helpful to others as they consider similar complaints and petitions.

#### **Recommendation:**

RAP management should post Petition Hearing and Rent Board decisions to the RAP website or other electronic portals to make these more accessible to the public.

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## **Rent Adjustment Program Operations**

### Rent Adjustment Process

Tenant and landlord dispute petitions are typically resolved through the RAP hearing process where cases are heard and evaluated by a Hearing Officer who applies the Rent Adjustment Ordinance rules and regulations. The Hearing Officer renders a decision which may be regarding a rent increase or decreased housing services.<sup>13</sup>

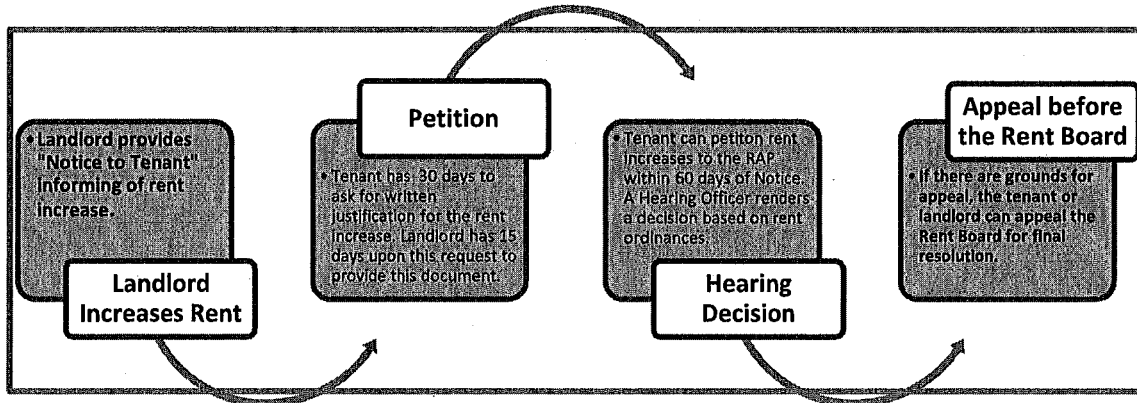
A tenant or landlord can appeal a hearing decision to the Rent Board if either party disagrees with a Hearing Officer's decision. Grounds for appeal range from insufficient opportunity to present arguments and inconsistencies in the application of Rent Board regulations to cases decided on sparse evidence or that raise new policy issues.

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<sup>12</sup> Brown Act CA Gov code 54952(b) and Sunshine Open Meetings Ordinance OMC §2.20.030(e)(2).

<sup>13</sup> Housing Services – means all services provided by the Owner related to the use or occupancy of a covered unit, included, but not limited to, insurance, repairs, maintenance, painting, utilities, heat, water, elevator service, laundry facilities, janitorial service, refuse removal, furnishings, parking, security service, and employee services.

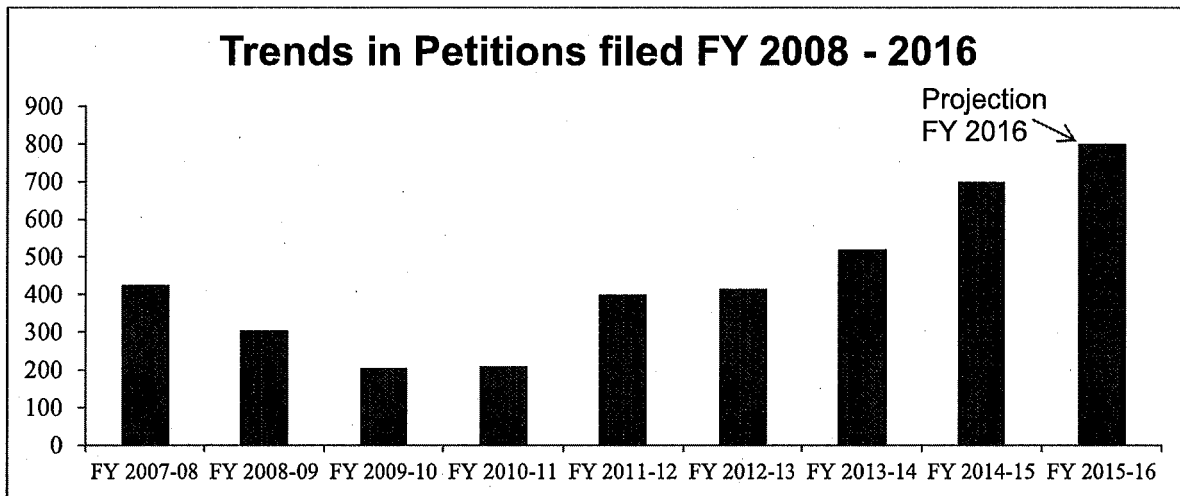
# Audit Results



## Finding 5: The increasing caseload has strained RAP resources; Management has not focused on efficient processes

Tenant petition filings have been increasing since FY2011. The current projection for petitions filed in FY2016 is nearly 820; this is a 264% increase from 5 years ago. This has added to the Hearing officers' workload, created a bottleneck so that it takes between 90 and 120 days to schedule a hearing.

It is important to note that since the City Council passed the 90 Day Moratorium on Rent Increases Ordinance,<sup>14</sup> effective April 5, 2016, the number of petitions has not significantly decreased.



Source: Rent Adjustment Program Annual Reports

<sup>14</sup> Oakland City Council Ordinance 13360, April 5, 2016.



## **Audit Results**

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### **Recommendations:**

Temporary staff should be hired to facilitate reducing the backlog. Management must determine the specific resource needs and work towards filling these positions, preferably with experienced personnel, so that minimal training is required.

Other recommendations for management are as follow:

- Review workflow processes for efficiencies and identify opportunities to leverage staff, limit document handling, and maximize consistent and secure file organization. Management should update policies and procedures accordingly.
- Determine appropriate staffing levels given the current and expected workload and prepare a budget for additional full time personnel expense. (See below, Finding 10).
- Implement a formal, routine quality assurance program to ensure conformance to set standards and compliance with the RAP Ordinance and regulations, and department and city procedures - a standard in legal practices. Such a program will identify errors timely and allow for prompt re-training of staff, avoiding time-consuming re-work and standardize the quality of work product.
- Hearing officers should not conduct onsite inspections of properties. They do not have the expertise to assess non-compliance with building codes or to identify unsafe living conditions. Rather, RAP should contract professional building inspector services in the Planning & Building Department to perform these site inspections, allowing Hearing Officers to devote their time to case file preparations.
- Management should work with the City Attorney to propose changes to the RAP Ordinance and regulations to eliminate inefficiencies that may be creating delays in adjudicating cases.

### **Finding 6: The current case management system is not adequate**

The current system that is used for tracking RAP cases is a Microsoft Access database which is no longer adequate to support the volume of petitions and cases submitted to the RAP. Standard practices include a regular reporting of workflow metrics that is not only useful for the public but can be used by management to better manage its staffing resources to resolve cases on a timely basis. For instance, the San Francisco Rent Board compiles caseload data and publishes a monthly statistics report that shows the number and types of petitions, arbitrations, and evictions.

### **Recommendation:**

RAP management should evaluate the type of system that would be most cost-effective given its workflow – one that will allow the department to track cases, store records electronically, reduce reliance on paper documents, and produce performance metrics and trend analyses that can be used to regularly report on RAP activities.

## Audit Results

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### Finding 7: The RAP's public outreach program does not provide the education needed for tenants and landlords

Housing is a basic need in any city – especially one where the majority of its residents are renters. Tenants need adequate and safe housing. Landlords need tenants to rent their properties. Both parties must build a mutual relationship so that the needs of both are met.

RAP currently relies on limited venues to ensure that stakeholders (both tenants and landlords) are aware of the RAP Ordinance and the rights and responsibilities of all parties. These have typically included workshops conducted by service providers and RAP staff and one-on-one consultations with tenants provided by non-profit agencies.

It is not evident that the dissemination of RAP information is broad and intended to reach both tenants and landlords. RAP management has stated that most of the funds for education and assistance have been directed to tenants. For example, Centro Legal de la Raza<sup>15</sup> uses city office space to provide services to tenants. No similar accommodations are provided to landlords or property owners. Contracts with the local American Bar Association, to provide landlord education were not successful, as few property owners attended or requested services.

In our discussions and meetings with tenants and landlords, both groups expressed their frustrations at the difficulty in obtaining information and direction to help them resolve their housing disputes.

Little or no technology has been implemented to disseminate critical information tenants and landlords need to better understand their rights, responsibilities, and obligations. The RAP website is not user-friendly, information is not easily retrieved, and in some instances confusing, so that landlords and tenants have difficulties understanding how to proceed to the next steps in the hearing or appeals process. Providing the public with needed information is a basic responsibility of government. Efficiencies are gained as common topics are explained in descriptive narratives and clear instructions. Staff may likely spend less time responding to frequently asked questions if information is consistently formatted in a useable and clear manner.

*"I had to learn it all the hard way, by scouring through the Ordinance and calling on other tenants to help me – I didn't know what I was doing..."*  
(Tenant)

*"I purchased this property 2 years ago. No one told me what to expect, what I was supposed to do as a landlord – if I had known, I would have done things differently..."*  
(Landlord)

### Recommendations:

Formulate a strategy to develop a public outreach communication plan. RAP management must first prepare a curriculum for this plan that is based on the current

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<sup>15</sup> <http://centrolegal.org/>

## **Audit Results**

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ordinance written in plain and easy-to-understand language that can be consistently communicated in all media. Incorporate innovative ideas to create a broad strategic communication and education plan.

### Goldman School recommendations

The City Auditor's Office coordinated a policy analysis project for the UC Berkeley Goldman School of Public Policy's Introduction to Policy Analysis class. These graduate students were tasked with identifying best practices in communication and outreach that could be adopted by Oakland's Rent Adjustment Program. Their conclusions were based on analysis of other local jurisdictions and agencies responsible for rent stabilization and oversight.

These are their recommendations, with which we concur, for RAP's public outreach communication plan. For more in-depth details, see Appendix A.

- Re-design the RAP website using webpage design best practices that include PDF fillable forms for online submission and links to critical information.
- Coordinate social media campaigns and other similar content for widespread education of the RAP (Facebook, Twitter and Instagram).
- Host information centers at City public events that attract residents and others to communicate RAP materials (e.g. First Fridays, Art & Soul, Sundays in the Redwoods, etc.) and at housing trade fairs and other industry functions.

Other practices should be considered in this public outreach strategy:

- Develop and distribute brochures, postcards and notices to libraries, city buildings, escrow offices and legal firms that include information on RAP.
- Include direct mail inserts with the annual business tax invoice informing recipients of links and references to RAP.

### **Finding 8: The meeting facilities for the Public Hearings are inadequate**

RAP hearings are public meetings as defined by the Brown Act,<sup>16</sup> which allow for public attendance. However, there are few city dedicated spaces set aside for these meetings, unlike other City Board and community gatherings.

Many RAP hearings are arranged to take place in conference rooms as they are available on various floors of city offices. Some of these rooms are located within staff work areas so that attendees must be directed through office workspace to the hearing meeting.

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<sup>16</sup> Brown Act - Government Code 54950-54963.

## Audit Results

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### Recommendations:

- Design a dedicated professional office space for hearings and other public business of RAP that is appropriate for the seriousness of the matters discussed. These spaces should be separate from staff work areas.
- Confirm that standard security measures for city offices used for public meetings are applied, including security cameras and locking doors to secure areas.

### **Finding 9: A comprehensive list is not available of properties which require fee assessment under the RAP or Just Cause ordinances**

The ordinances apply to residential rental properties built prior to 1983 and 1980 for RAP and Just Cause, respectively. RAP exempts single family rentals while Just Cause does not. Both exclude 3-unit rentals when one of the units is occupied by the owner and rooms rented in a single family home. Condominiums are exempt rental properties under RAP but are covered under Just Cause. There are other differences and similarities in the exemptions and applications of each ordinance. Owners pay the fee if the property conforms to the requirements of either ordinance.

Tenants are afforded certain protections when a property conforms to the specific requirements of either ordinance. RAP tenants are protected from excessive rent increases while Just Cause tenants are protected against certain evictions. The Rent Service Program Revenue is currently generated through a \$30 fee applied to residential rental units and paid by the property owner. It is assessed because the property is covered under either RAP or Just Cause.

The Department of Revenue (Revenue) does not have a comprehensive list of properties that must comply with the RAP or Just Cause Ordinances but is responsible for the program fee billing based on the taxpayer information in its central database. However, this system does not specify the properties to be assessed under either ordinance. Rather, Revenue submits an annual billing to all landlords registered in their business tax system, permitting taxpayers to 'opt out' of the fee.

It is uncertain how many residential rental units are covered by these ordinances. The City Administrator's May 5, 2016 report estimates 63,981 RAP rental units based on the County Assessor's report of multi-family units built before 1983 without a homeowner's exemption.<sup>17</sup> Just Cause units (built before 1980) are estimated at 87,404.

The \$2.1 million per year in budgeted revenues, by comparison, approximates 70,000 units assessed the annual \$30 Program fee per unit.

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<sup>17</sup> A homeowner's exemption is a filing with Alameda County, indicating the property is owned and occupied as the owner's principal place of residence and is not let out to rent or lease.

## Audit Results

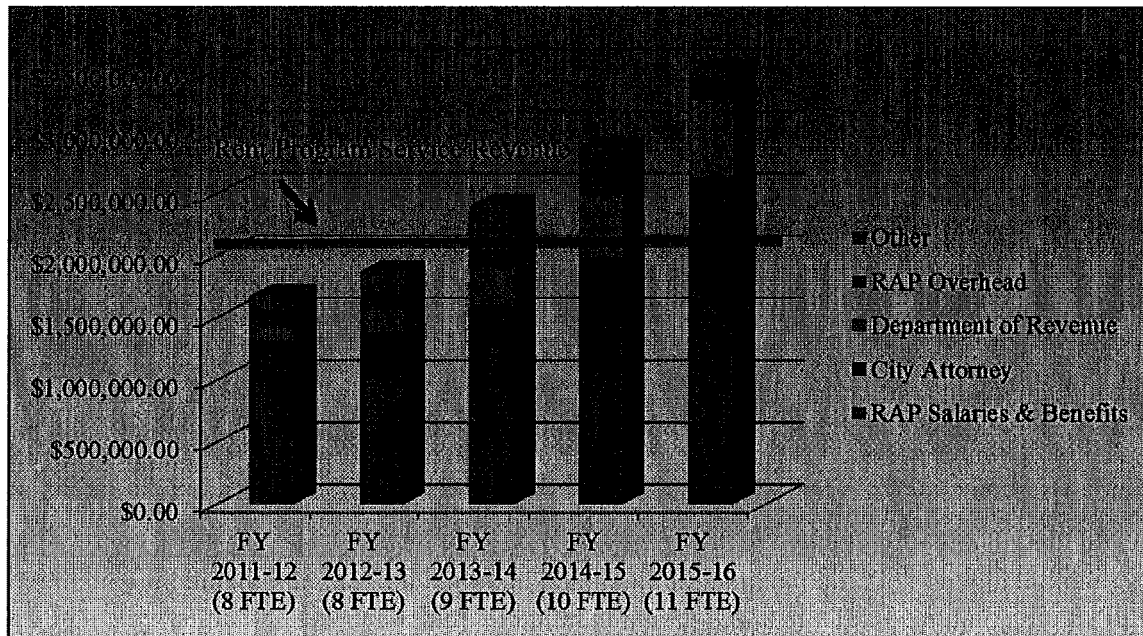
Given the absence of a systematic process that identifies and assesses the appropriate fees, Revenue management estimates that between 5 and 10 percent of taxpayers pay the Program fee when not required to do so, approximating more than \$200,000 in annual overpayments. Conversely, it is likely that owners of properties covered under Just Cause have not paid the annual fee.

### Recommendation:

The City Administrator should conduct an audit of the RAP and Just Cause assessments databases using the Alameda County Assessor's or other data sources to validate properties are appropriately assessed under the RAP or Just Cause Ordinances. Likewise, budgeted revenues should be revised to account for all valid assessments.

### Finding 10: The RAP budget does not adequately account for current financial operations

The current annual RAP budget is approximately \$2.1 million based on the Program fee of \$30 per unit per year. Collections were greater than the costs to administer the program in prior years, resulting in an accumulation of a reserve. This reserve was more than \$2.4 million at the end of FY 2012-13. Reserves have had to make up deficits beginning in FY 2013-14, where expenditures exceeded revenues.



## **Audit Results**

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Primary expenditure components include:

- Salaries & Benefits – Approximately 50% of program expenses are for staffing: Hearing Officers, Analysts, Administrative Assistants, and the Program Manager. Fringe benefits, medical benefits, and cost of living adjustments increased this category from \$969,000 in FY2011-12 to \$1.7 million, as projected for FY2015-16.
- City Attorney – Expenses related to the City Attorney's office staffing Rent Board meetings and providing legal counsel to RAP staff, advising on proposed legislative changes, enforcement actions and reporting to City Council have comprised between 14% and 21% of total RAP expenditures over the past four years. These are projected to be more than 27% (\$933,000) of the FY2015-16 budget – an increase over the 4 year period of more than \$584,000. An additional one-time \$300,000 budget allocation was made in FY2014-15 and a paralegal position was added in the FY2015-16 budget to assist RAP staff in managing the increased caseload.
- Department of Revenue charges – Inter-department allocations for billing, noticing, and collecting the Program fee comprise this budget component. RAP staff prepared and processed the annual billings prior to this becoming a function of the Department of Revenue.
- RAP Overhead charges and other costs – These include office supplies and equipment, City Administrator staffing costs, facilities expenses, and other allocated costs.

### **Recommendations:**

Management should develop and monitor the RAP budget in detail, confirming that expenditures are accurate and allocations to the RAP budget are valid and add value to RAP operations and stakeholders. Management should perform the following steps:

- Confirm that efficiencies are in place in the department that will provide short- and long-term savings for the City, and that resource needs are thoughtfully considered so that urgent needs are met and longer term strategies can be accommodated. This is consistent with a budgetary review expected of all city department managers.
- Use financial planning tools such as trends and statistics and economic forecasts to anticipate and estimate how changes in the housing market will impact RAP so that they can respond appropriately to fluctuations in the markets.
- Develop a policy for reserves management (Program fees collected in excess of expenditures) outlining the disposition of these funds including taxpayer refunds, program enhancements, or funding future investments in RAP systems and operations.
- Develop a Capital Investment plan to identify necessary significant investments that will reduce costs over the long term. Long-term planning for these ensures

## Audit Results

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funds are available at the projected acquisition date. The City Administrator should determine if the RAP Ordinance should be amended to provide funding for capital costs.

Our recommendations focused on the immediate need to address the increased petition and hearing volume; reduce the backlog of cases; adopt process efficiencies and cost-savings measures through the use of newer technologies; and redefine its public outreach program.

We have proposed expense ranges below that management may consider in developing its budget and Program fee structure – weighing the investment against the future benefits. These cost estimates are based on inquiries, reviews and comparisons; to determine costing structures of similar programs, applications and compensation packages. Actuals could be more or less than these figures.

- Hire temporary staffing – Management should hire temporary staff so that petitions and cases can be addressed promptly to minimize delays in their resolution. The annual cost is estimated at \$200,000.
- Increased permanent staffing – RAP management wants to increase staffing initially by 3 full-time staff given the increase in workload volume. We estimate this to be approximately \$400,000 per year.<sup>18</sup>
- Planning & Building Inspector – Allocating one-half FTE for an Inspector to conduct property inspections needed to gather evidence for Petition Hearings is estimated to cost \$70,000 per year.
- Maximizing technology – Gain efficiencies and enhance public outreach so that tenants and landlords can readily access documents, forms and other materials, reducing the need for staff to be the primary source of RAP data and information.
  - Acquiring and implementing an automated case management system that will increase efficiencies in workflow and caseload is estimated to cost \$100,000 initially, with annual licensing and maintenance fees of \$25,000.
  - Upgrading the RAP website and incorporating other social media into the RAP communication and is estimated to cost \$50,000; annual maintenance costs are estimated to be \$8,000.
- Other costs include additional educational materials and improvements to the RAP offices, so that space is made available for hearings, workshops, clinics, and other sessions for both tenants and landlords. This cost is estimated to be \$365,000.

### Analysis of Rent Program Service Fee

The Program Service Revenues may not be a valid forecast of future revenues as noted earlier. We used a base number of RAP units of 70,000, as a conservative estimate, to

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<sup>18</sup> Program Analyst I, Administrative Assistant I, and Hearing Officer.

# Audit Results

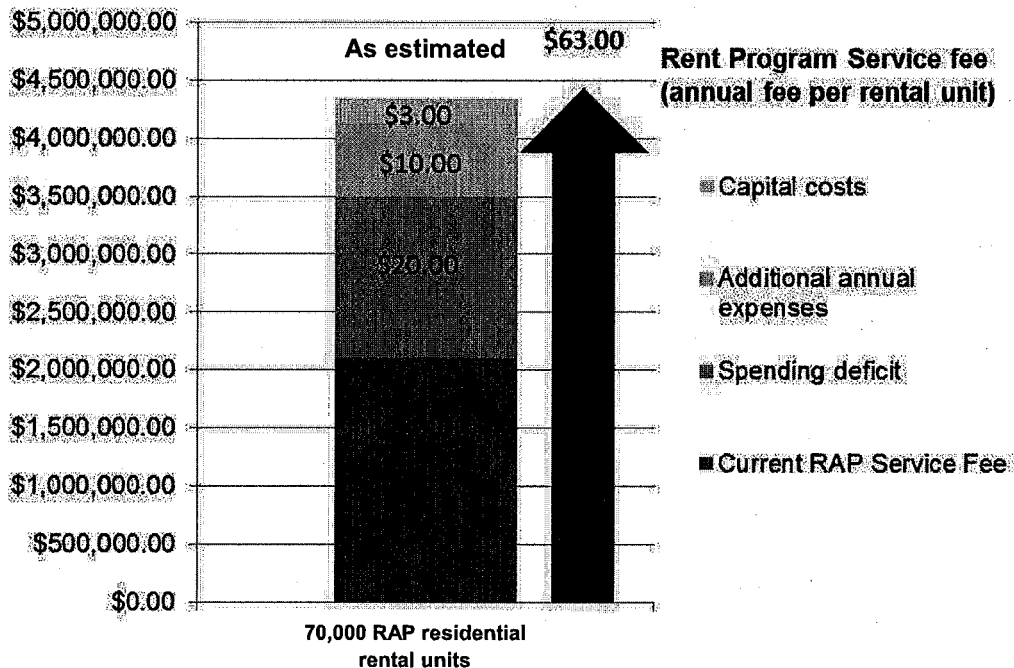
determine the required Program fee to sustain the RAP program and to fund future improvements.

The current annual Program fee is \$30 per unit. This generates approximately \$2.1 million in revenues, which is not sufficient to cover annual operating expenses of \$3.5 million. As the number of units covered under the RAP and Just Cause ordinances is in question, we assumed a population of 70,000 RAP rental units. Our recommended fee increase calculation is as follows:

- \$20 per unit to make up for the spending deficit for RAP operations;
- \$10 per unit to adopt the practices from the audit report recommendations;
- \$3 per unit to fund a reserve that can be used for capital investments, such as technological implementations and upgrades as well as unforeseen events.

The Program fee should be increased from the current \$30 per unit to between \$63 and \$70.

**Recommendation:** City Auditor recommends that management perform their independent analysis based on a revised and accurate count of residential rental units covered under RAP and Just Cause. It should consider all relevant costs and future expenditures to establish a Program fee structure that will adequately fund current RAP operations and anticipated investments and contingencies. Management must also regularly review the Program fee, at least annually, to confirm that revenues are adequate to cover RAP operations costs.





# **Statement of Compliance, Scope, Objectives & Methodology**

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## **Statement of Compliance with Government Auditing Standards**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## **Audit Scope and Objectives**

The scope of our project covered fiscal years 2014-2015 and 2015-2016. Our objective was to ensure the Rent Adjustment Program is meeting its mission and goals—to administer the Rent Adjustment Ordinance that promotes relief to residential residents through the limitations of rent increases while fostering investment in residential rental housing properties.

## **Methodology**

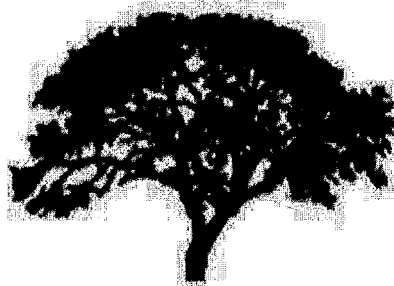
In conducting the audit, we:

- Performed walk-throughs with rent adjustment personnel
- Interviewed rent board members, tenant and landlord representatives
- Reviewed rent adjustment policies and ordinances
- Reviewed the rent adjustment program manual
- Reviewed case files to ensure compliance with policies and procedures and fairness in decision making
- Attended Rent Board meetings
- Coordinated a policy analysis project for the Goldman School's Introduction to Policy Analysis class, identifying best practices in communication and outreach that could be adopted by Oakland's Rent Adjustment Program.

## **Appendix A**

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# **Oakland City Auditor**

## **A Best Practices Analysis of Municipal Landlord & Tenant Education and Outreach**

**Christian Arana, Kevin Howard, and Adithi Vellore**

**RICHARD AND RHODA  
GOLDMAN SCHOOL  
OF  
PUBLIC POLICY  
UNIVERSITY OF CALIFORNIA BERKELEY**

## **Acknowledgements**

We would like to thank Oakland City Auditor, Brenda Roberts, for her steadfast support, encouragement and positive attitude throughout this project. As an elected official tasked with protecting taxpayers from waste, fraud and mismanagement by ensuring responsible, transparent financial practices, our efforts to improve landlord and tenant education and outreach in Oakland gained much from her tremendous passion to deliver effective governance to the city's residents.

We would also like to thank the City Auditor's staff, and in particular, Mark Carnes, Performance Auditor in the City Auditor's office. Mr. Carnes' facilitation of key resources and data proved crucial in helping us arrive at concrete recommendations in improving landlord and tenant resources in the City of Oakland.

Finally, we would like to thank our advisor, Amy Lerman, for her terrific guidance and input on this project.

# Best Practice Analysis: Landlord & Tenant Education and Outreach

## Executive Summary

### UC Berkeley – Goldman School of Public Policy – Introduction to Policy Analysis

Policy consulting services are offered pro-bono each spring to public sector agencies and non-governmental organizations as part of the graduate workshop class, Introduction to Policy Analysis (IPA). Graduate students work in small teams under faculty supervision to offer analysis and recommendations for complex policy problems and opportunities facing public and non-profit agencies. Student teams identify and weigh policy options, generate analysis and recommendations that they present to the client in oral and written reports.

Our team assignment was to evaluate Oakland's Rent Adjustment Program (Oakland RAP or RAP) public outreach and education. The objectives were to determine whether these include best practices so that information is broadly disseminated to the stakeholders (tenants, landlords, associations supporting these groups and other concerned citizens); that tenants and landlords have the critical information required to act; and that these communication plans promote and support the efficient operations of government.

Our research identified educational programs and applications in other benchmark cities – San Francisco, San Leandro, and Berkeley, and our recommendations are based on these practices.

### Key Findings:

The following Best Practices were identified at other Municipalities:

- 1. Organizational & Procedural Transparency.** Municipalities provide sufficient information on rent programs so that tenants and landlords fully comprehend their rights and responsibilities, with clear directives to navigate through the process to resolve disputes.
- 2. Clear & Consolidated Web Resources.** Internet-based (web) resources that are easy to read and accessible to users have become crucial in the effort of government agencies to provide clear and transparent resources and education to stakeholders.
- 3. Social Media Presence & Programming.** These tools can have a powerful effect in disseminating essential information and this usage has increased across all age groups.
- 4. Workshops & Seminars.** Hosting such events allows property owners and managers to learn about the complex legal and procedural aspects of being a landlord, and tenants to have a clear understanding of the rights and protections afforded them.
- 5. Collaboration with other Agencies.** Collaborative partnerships offer new, shared means of outreach and education for landlords and tenants to receive critical information.

## Best Practice Analysis: Landlord & Tenant Education and Outreach

### Overview of Best Practices - Case Studies

Education programs and tools used by other municipalities were used as benchmarks to establish standards and best practices for Oakland RAP. We analyzed best practices for San Francisco, San Leandro, and Berkeley, which are facing similar rental housing pressures. The following sections describe each of these municipalities' rent board services.

### Rent Adjustment Program Comparisons by Municipality

| Type of Service         | Berkeley       | Oakland      | San Francisco  | San Leandro <sup>1</sup> |
|-------------------------|----------------|--------------|----------------|--------------------------|
| Rent Program Fee        | \$213          | \$30         | \$37           | \$0                      |
| Rent Increase Petitions | Landlord-Based | Tenant-Based | Landlord-Based | Tenant-Based             |
| Website                 | X              | X            | X              | X                        |
| Workshops/Seminars      | X              | X            |                | X                        |
| Social Media Presence   | X              |              | X              | X                        |
| Counseling              | X              | X            | X              | X                        |
| Community Events        | X              | X            | X              | X                        |

### San Francisco Rent Board

This Board became effective on June 13, 1979 as a result of the San Francisco Rent Ordinance to address the housing crisis occurring in the city at the time<sup>2</sup>. Its authority is three-fold: (1) "to promulgate rules and regulations to effectuate the purposes of the Rent Ordinance," (2) "to hire staff, including administrative law judges," and (3) "to conduct rental arbitration hearings, mediations and investigatory hearings on Reports of Alleged Wrongful Eviction."

It has taken a strong lead in providing information in a way that all stakeholders can understand. Examples, all of which are available in digital format and are easily printed, include the following:

- Overview of Rent Board services – what we do and what we don't do
- Form center with digitally fillable forms
- Cross-indexed popular topics and most requested documents
- Board Meeting Agendas, meeting minutes and audio and video archives
- Monthly and annual workload statistics
- Stand-alone website, distinct from other offices of the city government
- A toolbar at the top of the page featuring the most important topics
- Accessibility features for non-English speakers to translate the site into Mandarin or Spanish
- Buttons to turn the site into text only and other ADA compliant formats

<sup>1</sup> San Leandro's landlord services are contracted out to the Eden Council for Hope and Opportunity, a nonprofit organization that works on housing/rental issues in the East Bay.

<sup>2</sup> San Francisco Rent Board, "The Mission of the Rent Board," <http://sfrb.org/mission-rent-board>

# Best Practice Analysis: Landlord & Tenant Education and Outreach



The San Francisco Board also uses Twitter to broadcast key information concerning rental housing in the city. These tweets have included links to rent board meeting minutes and rent increase petitions for utility pass-throughs and capital improvements.

We noted that Oakland's Rent Adjustment Program information is housed under the broader banner of "Housing & Community Development." This site mapping buries critical information as evidenced in the following screens below with features of interest noted.



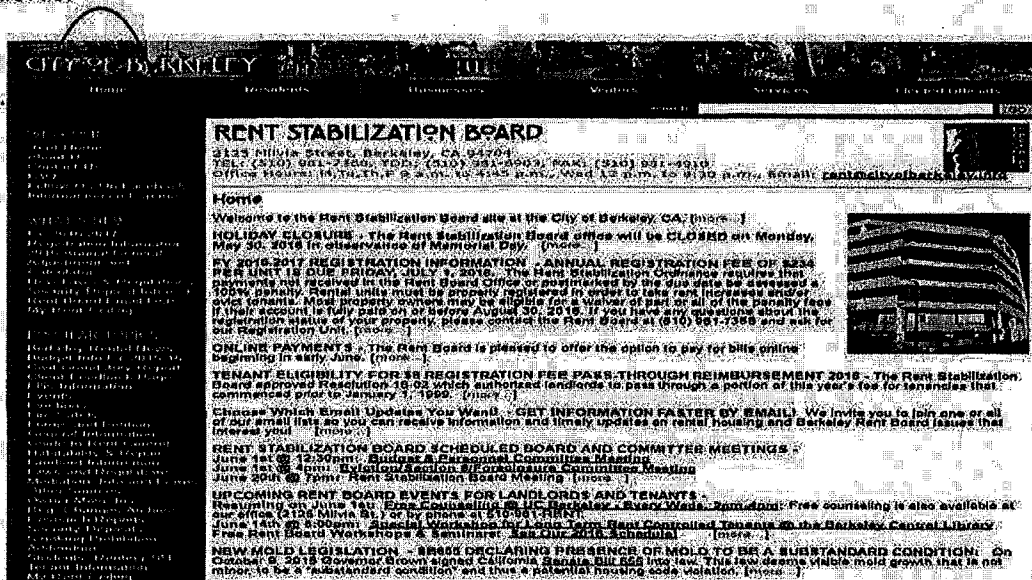
## Best Practice Analysis: Landlord & Tenant Education and Outreach

### Berkeley Rent Stabilization Board

This Board was founded in 1980 as a result of the Rent Stabilization and Eviction for Good Cause Ordinance<sup>3</sup>, the mission of which is to "regulate residential rent increases... and to protect against unwarranted rent increases and evictions and to provide a fair return to property owners."

Their website has several prominent features with regard to their support of landlord and tenant information access and education:

- **Rent Adjustment Calculator** for landlords to determine how much they are legally allowed to raise the rent. (1.5% CPI for 2016)
- **Email Lists** Landlords and tenants can choose to receive emails regarding workshops, seminars, and registration announcements.
- **Rent Ceiling Confirmation** Both landlords and tenants can check to see if their property must comply with the Berkeley Rent Board requirements.
- **Frequently Asked Questions (FAQ)** page with common questions from tenants and landlords.



The Berkeley Board uses Facebook to host information pertaining to rental housing and publicizes the date, time, and topics of discussion for the next Rent Board meeting. A link to the Facebook page is posted on its website.

All workshops and seminars are also advertised with direct links to registration pages, offering users immediate access to important educational resources and a reliable pipeline for user attendance at these events.

<sup>3</sup> Berkeley Rent Stabilization Board, "About the City of Berkeley Rent Stabilization Board and Program," [http://www.ci.berkeley.ca.us/Rent\\_Stabilization\\_Board/Department\\_Master\\_and\\_Collections/TEMP\\_About\\_Us\\_and\\_Contact\\_Us/Rent\\_Board\\_About\\_Us.aspx](http://www.ci.berkeley.ca.us/Rent_Stabilization_Board/Department_Master_and_Collections/TEMP_About_Us_and_Contact_Us/Rent_Board_About_Us.aspx)



## Best Practice Analysis: Landlord & Tenant Education and Outreach

The Berkeley Board is landlord based but sponsors and promotes its outreach to both landlords and tenants through its free workshops and seminars that are conveniently located at public libraries and/or the Rent Board offices and cover a wide range of topics. They are listed on the homepage of the Rent Board website and are posted on Facebook and promoted through the list-serve that landlords and tenants can opt-in to receive.

Outreach includes partnering with community festivals to inform landlords and tenants about services. The Board has been represented at annual community events over the last several years, such as the Solano Avenue Stroll, the Juneteenth Festival, and Sunday Streets. The Board has the opportunity to connect with thousands of people who both own and lease rental property by participating in these events.

### San Leandro Rent Review Program

This began in May 2001 as a way to provide the city's tenants and landlords a forum to review and settle rent disputes<sup>4</sup>.

The program maintains a clear, consolidated, easy to use website for landlords and tenants and includes block text, short lists of relevant web links and bold, colorful typeface to draw the reader's attention to important changes to the local rental ordinance. It also uses the City of San Leandro's social media accounts including Facebook and Twitter to announce important messages.

<sup>4</sup> City of San Leandro, "Rent Review Program," <http://www.sanleandro.org/depts/cd/housing/rentreview/default.asp>

## **Best Practice Analysis: Landlord & Tenant Education and Outreach**

### **Recommendations for the Oakland RAP**

#### **Organizational & Procedural Transparency**

- ✓ Develop clear messaging that includes a short fact sheet about the mission and role of RAP – what it does and does not do, and a clearly worded summary of the RAP Ordinance and Regulations.
- ✓ Create a frequently asked questions (FAQ) section answering common questions from tenants and landlords, using specific content that could be applicable to similar situations.
- ✓ Offer simplified, streamlined explanations of allowable rent increases, with citations of the rental ordinance.
- ✓ Track and report the monthly and annual workload statistics for the Oakland RAP program.

#### **Clear & Consolidated Web Resources**

- ✓ Restructure the website to include reader-friendly features such as 'white-space' and updated webpage layout, to avoid scrolling through the page to find relevant links; text-only or audio-now formatting; Spanish- and Mandarin-language resources; and use of sparse, large-point, easy-to-read sans serif fonts where block text is required.
- ✓ Provide access to major links in a simple toolbar that runs along the top of the webpage. Offer secondary links or connections to other relevant resources in a separate sidebar.
- ✓ Develop a "Frequently Requested Forms" link that directs users to the most important documents (e.g., rent increase notice, petition filing evidence gathering).
- ✓ Make all forms required by landlords and tenants at any stage of the rental resolution process digital, fillable PDF documents that can be completed and submitted online while maintaining the current paper process through the US mail for those parties that do not have online access.

#### **Social Media Presence & Programming**

- ✓ Develop a presence on sites like Facebook and Twitter as a means of enhancing outreach, education, and visibility of the Oakland RAP.
- ✓ Coordinate with the existing social media presence of other Oakland City government administrations—who have established a following—to direct traffic to RAP social media outlets.
- ✓ Cross-index or link to RAP resources across all platforms. Oakland RAP social media should link to the RAP web page and other social media outlets, and vice versa.
- ✓ Use social media platforms to issue landlords and tenants regular reminders about important deadlines for administrative purposes, notifications about critical changes to rental ordinance, or updates about important local news pertinent to rent adjustment regulations and services.
- ✓ Generate YouTube or Vimeo video tutorials to help users navigate the RAP website.

## **Best Practice Analysis: Landlord & Tenant Education and Outreach**

### **Workshops & Seminars**

One of the most important ways the case study municipalities have educated and reached landlords is through the use of community-based workshops and seminars. Hosting such events allows landlords and tenants to ask specific questions and seek personalized consultation from RAP staff and partners.

- ✓ Although Oakland RAP currently holds workshops and presentations, we recommend furthering the program - scheduling regular, well-publicized events at public meeting sites in various parts of the City, such as libraries or City Hall. These should be available to all stakeholders, landlords and tenants alike.

### **Collaboration with other Agencies**

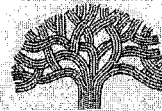
Collaborative partnerships between the local rent adjustment program and other community agency stakeholders is an education and outreach best practice identified in San Francisco, San Leandro, and Berkeley.

Rental services are mostly targeted to tenants in the Bay Area. There are multitudes of tenant-centric services such as the East Bay Community Law Center and Centro Legal De La Raza, as well as many private law firms that offer pro bono and paid legal services. Property owners and managers, by contrast, often only have paid member access to singular property owners' associations or advocacy bodies, such as the East Bay Rental Housing Association. As a result, Oakland landlords are often left out of creative inter-organizational partnerships intended to address the local housing crisis.

- ✓ Establish Oakland RAP presence at community events, such as Oakland First Fridays and the Oakland Pride Festival.
- ✓ Solicit partnerships with organizations well versed in housing advocacy and landlord education services to develop new landlord and tenant education programming.

# City Administrator's Response

CITY OF OAKLAND



CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

Office of the City Administrator  
Sabrina B. Landreth  
City Administrator

June 24, 2016

(510) 238-3302  
FAX (510) 238-2223  
TDD (510) 238-2007

The Honorable Brenda Roberts  
Oakland City Auditor  
1 Frank Ogawa Plaza, 4<sup>th</sup> Floor  
Oakland, CA 94612

RE: Performance Audit of the City of Oakland Rent Adjustment Program

Dear City Auditor Roberts:

The Administration and the Housing & Community Development Department (Department) welcome audits to improve efficiency, effectiveness and the safeguarding of taxpayer dollars.

The Rent Adjustment Ordinance was adopted more than 30 years ago to provide stable housing and support to Oakland tenants. In the past several years, residential rent has increased to levels that has caused many Oaklanders to no longer be able afford to live in our City.

This audit brings to light areas in need of improvement which will help the Rent Adjustment Program function as a service to both tenants and landlords in the resolution of housing disputes.

In the interest of communicating the message of this audit timely, we urge you to issue this report without my formal response at this time. We acknowledge that certain recommendations in your report are a part of a long-term strategy and may take some time to implement. Other changes may have already been initiated and action plans are underway. My office will work with the Department to formulate responses and to identify the status of each of the recommendations in this audit report within the next 45 to 60 days.

I look forward to working with you in continuing to target key areas that could result in improvements to the Rent Adjustment Program in order to better serve the Oakland community.

Sincerely,

  
Sabrina B. Landreth  
City Administrator

cc: Michele Byrd, Director Housing & Community Development  
Margaret O'Brien, Interim Revenue & Tax Administrator, Revenue Management Bureau

# CITY OF OAKLAND



CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

OFFICE OF THE CITY ADMINISTRATOR  
Sabrina B. Landreth  
City Administrator

(510) 238-3301  
FAX: (510) 238-2223  
TDD: (510) 238-3254

October 21, 2016

Honorable Brenda Roberts  
Oakland City Auditor  
1 Frank Ogawa Plaza, 4<sup>th</sup> Floor  
Oakland, CA 94612

## **RE: City Administrator's Response to the Oakland Rent Adjustment Program Performance Audit**

Dear City Auditor Roberts:

The City Administration and the Housing and Community Development Department (HCD) appreciate the Rent Adjustment Program (RAP) audit report, which highlighted areas and functions in need of further attention and improvement. HCD developed a management action plan to address these issues based on the recommendation tracking matrix provided to them. Staff has read and begun implementing the recommendations and some of them are almost completed. Other recommendations are multifaceted and contain various timelines, responsible parties, and are dependent on legislative and / or contracting processes. All of the items are a part of the City Administration's longer-term strategies for improvement of the RAP and Housing services in general.

The matrix that follows lists the audit recommendations and includes staff comments to each. Staff identified the responsible parties for implementation as well as the initial estimated timeframes to complete each recommendation. As noted above, some of these recommendations have now been almost fully implemented and are so noted.

Staff plans to provide the City Council with an update on the RAP and the progress of the program in February 2017. This meeting will be an opportunity to reassess timing and implementation plans for each of these items and other RAP priorities which staff seeks to implement. Staff will reevaluate deadlines on an ongoing basis. To assess progress and to receive feedback, we suggest having regular check-ins with you and your staff which will help us continue to move forward productively.

**RE: City Administrator's Response to the Oakland Rent Adjustment Program  
Performance Audit  
Page 2.**

I want to extend my gratitude to the City Auditor and her staff for providing a report that assists us in better serving the Oakland community.

Sincerely,



Sabrina B. Landreth  
City Administrator

cc: Michele Byrd, Director, Housing and Community Development  
Margaret O'Brien, Revenue and Tax Administrator, Revenue Management Bureau

Attachment: Tracking Matrix

**City Auditor's Office Rent Adjustment Program Audit (June 27, 2016)**  
**City Administrator's Responses as of October 21, 2016**



|   | City Auditor's Recommendations  | Management Response   | Responsible Party   | Target Date to Complete   |
|---|---|---|---|---|
| 1 | Increase the number of Rent Board alternates to provide sufficient volunteer Board members.   | The City Council passed legislation (Ordinance No. 13373 C.M.S.) which added 3 additional alternates to the Rent Adjustment Board (1 neutral; 1 tenant; and 1 landlord). The Mayor's Office has been very diligent in appointing members to fill those new alternate positions. All 3 new alternates will be appointed by November 2017.  | City Council and the Mayor's Office                               | October 2016  |
|   | <p>The Mayor needs to:</p> <ul style="list-style-type: none"> <li>• Appoint members to open Board positions timely</li> <li>• Fully communicate to appointees their responsibilities and obligations as members of this Board</li> <li>• Replace Board members who don't fulfill their duties</li> </ul>                    | <p>As of the date of this report, no vacancies remain for the Rent Board. The Mayor's Office has begun using Granicus to track current terms and all vacant positions for City boards and committees. The Office is almost caught up on all of the term dates and expiration dates for all Rent Adjustment Board (RAB) members in Granicus. The electronic tool will help the Mayor's Office and RAP to easily keep track of upcoming vacant board seats in order to ensure no time lost between appointments. Staff provides the Mayor's Office with attendance records on a quarterly basis in order to ensure appointees are attending the meetings. In terms of communication to appointees of their responsibilities, etc. as board members, staff will work to formalize such communication material to ensure that new and existing board members are aware of their role and expectations as RAB members.</p> <p>Staff will create a summary document which can be used to explain duties to new and existing board members. This document will be created by March 2017.</p> | Mayor's Office and RAP staff liaison to the Rent Adjustment Board | <p>Timely appointments: Ongoing</p> <p>Replace Board Members: Ongoing</p> <p>Communicate Duties: Ongoing</p>        |
|   | Attendance records should be provided to the Mayor on a semiannual basis.   | The Mayor's Office and the RAP program have decided that the RAP staff will send RAB attendance records to the Mayor's Office on a quarterly basis.   | RAP staff through Granicus  | Almost completed. Otherwise ongoing.  |
| 2 | <p>A content-focused training program should be developed for Board members:</p> <ul style="list-style-type: none"> <li>• This program should be scheduled over the course of the year with expected time frames for completion</li> <li>• The training can be presented at regular Board meetings in some cases</li> </ul> | The City Administrator's Office will work with the RAP program to determine the training structure and curriculum by December 2016. Staff will survey RAB members to see what type of training they would like to see. In addition, staff will add other important topic ideas for the training curriculum.   | RAP staff with help from CAO                                      | <p>December 2016 (draft curriculum)</p> <p>Training program finalized and implemented by the end of March 2017.</p> |
|   | <p>RAP management should:</p> <ul style="list-style-type: none"> <li>• Track the progress of the training sessions</li> <li>• Include completion information and Board member attendance records in the semiannual report to the Mayor</li> </ul>   | Staff will create a template for ongoing training requirements as well as a tracking sheet and share it on a semi-annual basis to the Mayor's Office.   | RAP staff   | Ongoing   |



**City Auditor's Office Rent Adjustment Program Audit (June 27, 2016)**  
**City Administrator's Responses as of October 21, 2016**



|   | <b>City Auditor's Recommendations</b>  | <b>Management Response</b>  | <b>Responsible Party</b>                          | <b>Target Date to Complete</b>   |
|---|--|---|---|--|
| 3 | A communication strategy should be adopted by the Rent Board, which will: <ul style="list-style-type: none"> <li>• Allow for ease of access and use for different types of users</li> <li>• Include internet-based technology</li> </ul> | Staff is currently working with the City Clerk's Office to use Granicus for communication and access to all the information contained in the Board packets. Staff is also working to provide the RAB members with tablets for use to access and review the packets prior to and during meetings.  | RAP staff consulting with the City Clerk's Office | February 2017  |
|   | Rent Board preparation materials, including Case Appeals packets should be scanned and uploaded to the RAP website rather than mailed to each Rent Board member.   | While the database is being implemented, RAP staff is working with the City Clerk's Office on Granicus to electronically make packet information available to RAB members who want an electronic packet. In the new database, which will be available in February 2017, RAB members will likely have their own user accounts with permissions which will allow them to see necessary information related to cases for meetings. | RAP staff   | February 2017 for Granicus;<br><br>February 2017 for the database      |
|   | The Rent Board should formulate an accessible online public communication strategy that provides interested parties with all appropriate information in advance of the meeting and other relevant staff reports.                         | Staff is currently working with the City Clerk's Office to use Granicus for communication and access to all the information contained in the Board packets. Staff is also working to provide the RAB members with tablets for use to access and review the packets prior to and during meetings.  | RAP staff consulting with the City Clerk's Office | February 2017  |
| 4 | RAP management should post Petition Hearing and Rent Board decisions to the RAP website or other electronic portals to make these more accessible to the public.   | The new database will address this.   | RAP staff with CAO staff                          | February 2017 for the database   |
| 5 | Management should address resource needs and work towards using temporary staffing to immediately address the caseload backlog. Permanent staffing should be planned for to fill needed positions as workload continues to increase.     | RAP staff have been working with the Human Resources and Management Department (HRMD) to fill the current authorized positions. There are currently 2 positions unfilled and recruitment efforts are underway to fill them. With the recruitment being initiated by December 2016, it is expected that the new employees will be hired by March 2017.   | RAP staff   | December 2016 – start recruitment;<br><br>March 2017 – employees hired |



**City Auditor's Office Rent Adjustment Program Audit (June 27, 2016)  
City Administrator's Responses as of October 21, 2016**



|            | City Auditor's Recommendations   | Management Response  | Responsible Party   | Target Date to Complete   |
|------------|--|--|---|---|
| 5<br>cont. | <p>Other recommendations for management are:</p> <ul style="list-style-type: none"> <li>Review workflow processes for efficiencies and identify opportunities to leverage staff, limit document handling, and maximize consistent and secure file organization. Management should update policies and procedures accordingly</li> <li>Determine appropriate staffing levels given the current and expected workload and prepare a budget for additional full time personnel expense</li> <li>Implement a formal, routine quality assurance program to ensure conformance to set standards and compliance with the RAP Ordinance and regulations, and department and city procedures-a standard in legal practices.</li> <li>Hearing officers should not conduct onsite inspections of properties. Rather, RAP should contract professional building inspector services in the Planning &amp; Building Department to perform these site inspections, allowing Hearing Officers to devote their time to case file preparations</li> <li>Management should work with the City Attorney to propose changes to the RAP Ordinance and regulations to eliminate inefficiencies that may be creating delays in adjudicating cases</li> </ul> | <ul style="list-style-type: none"> <li>The workflow process will be reviewed in the database creation process. In order to incorporate process efficiencies into the new database, the database project team is factoring the process into the database design.</li> <li>Appropriate staffing levels will be reviewed in the HCD budget proposal where HCD leadership and RAP staff will assess new staff needed based on: new legislation, the expected number of petitions, the petition process, and the expected program efficiencies based on the database upgrades.</li> <li>For inspections, such an approach would require budgetary changes as well as staff training. A budget discussion for dedicated inspection staff will occur during FY 2017-2019 bi-annual budget process. For changes to the RAP ordinance, staff will be looking for efficiencies in the database design process.</li> <li>Staff will also ask the Office of the City Attorney about proposed changes throughout that process. In addition to and separate from the database, RAP staff will engage with the Attorney's Office about other program efficiencies and assess if legislation is needed.</li> <li>In terms of quality assurance, all of the current changes are an effort towards this. With the ballot measures and landlord petition changes, further quality assurance work may not be done comprehensively or timely at this time.</li> </ul> | <p>RAP staff with other offices such as Planning and Building and the Office of the City Attorney</p> | <p>The database will be completed in February 2017</p> <p>Budget will be reviewed during the FY 2017-2019 bi-annual budget process</p> <p>Timeline for the inspections conversation would be first quarter in FY 2017-2018.</p> <p>Other efficiencies conversations would occur later in 2017 to allow time for database completion and testing</p> |

**City Auditor's Office Rent Adjustment Program Audit (June 27, 2016)  
City Administrator's Responses as of October 21, 2016**



|   | <b>City Auditor's Recommendations</b>  | <b>Management Response</b>   | <b>Responsible Party</b>         | <b>Target Date to Complete</b>  |
|---|--|--|----------------------------------|---|
| 6 | RAP management should evaluate the type of automated caseload system that would be most cost-effective given its workflow-one that will allow the department to track cases, store records electronically, reduce reliance on paper documents, and produces performance metrics and trend analyses that can be used to regularly report on RAP activities.   | Staff conducted a Request For Qualifications (RFQ) process for a firm to help with the initial business process design and database creation for the RAP program. The system will factor in this recommendation.   | CAO and RAP staff                | February 2017   |
| 7 | <p>Formulate a strategy to develop a public outreach communication plan.</p> <ul style="list-style-type: none"> <li>Develop a curriculum that is based on the current ordinance written in plain, clear language</li> <li>Use innovative ideas to create a broad strategic communication and education plan.</li> </ul>  | Staff will work with the community engagement staff to develop a communications strategy after November 2016 (allowing staff to assess all new program changes and determine the best strategy to communicate the changes at large). In the meantime, staff is currently working on developing information packets to clearly articulate the ordinance and how it applies to tenants and landlords. It will be translated in all the appropriate languages to accommodate the diverse population within the City. Staff will also work with Community Based Organizations (CBOs) to provide training to enable them to provide assistance to staff to do outreach. | RAP staff, Comm. staff, and CBOs | <p>February or March 2017 for draft plan;</p> <p>No later than first quarter of FY 2017-2018 for CBO plan</p>                             |
|   | <p>Goldman School recommendations for best practices in public outreach and communication:</p> <ul style="list-style-type: none"> <li>Re-design the RAP website using webpage design best practices that include PDF fillable forms for online submission and links to critical information</li> <li>Coordinate social media campaigns and other similar content for widespread education of the RAP(Facebook, Twitter and Instagram)</li> <li>Host information centers at City public events that attract residents and others to communicate RAP materials and at housing trade fairs and other industry functions</li> </ul> <p>Other practices that should be considered:</p> <ul style="list-style-type: none"> <li>Develop and distribute brochures, postcards and notices to libraries, city buildings, escrow offices and legal firms that include information on RAP</li> <li>Include direct mail inserts with the annual business tax invoice informing recipients of links and references to RAP</li> </ul> | <ul style="list-style-type: none"> <li>Forms, the database will factor this in as well.</li> <li>Webpage redesign and social media campaigns, this will be factored into the communications strategy (also keeping the database changes in mind as well as the costs for a new website).</li> <li>Public events, RAP has been working to increase their public appearances and they will continue to do so.</li> </ul> <p>These items will be factored into a larger communications strategy as described above.</p>   | RAP staff and Comm. staff        | <p>February 2017 for database and forms</p> <p>Initial website crafted by mid-2017.</p> <p>Ongoing for participation at public events</p> |

**City Auditor's Office Rent Adjustment Program Audit (June 27, 2016)  
City Administrator's Responses as of October 21, 2016**



|           | <b>City Auditor's Recommendations</b>  | <b>Management Response</b>   | <b>Responsible Party</b> | <b>Target Date to Complete</b>  |
|-----------|--|--|--------------------------|---|
| <b>8</b>  | Design a dedicated professional office space for hearings and other public business of RAP that is appropriate for the seriousness of the matters discussed, to include standard security measures (locking doors, security cameras)   | CAO staff will work with RAP staff to assess costs for security upgrades including space reconfiguration and other security measures identified in the CPTED analysis, by staff, and within the audit report.  | CAO and RAP staff        | Improvements and cost will be assessed by December 2016; will then be part of FY 2017-2019 budget process |
| <b>9</b>  | The City Administrator should conduct an audit of the residential rentals database to validate properties are appropriately assessed under the RAP or Just Cause Ordinances. Likewise, budgeted revenues should be revised to account for all valid assessments.   | The Revenue Bureau's new system will be live in late 2016 or early 2017. It will provide a better tracking mechanism for this recommendation. RAP staff will continue to work with the Revenue Bureau to further refine the numbers for the upcoming years.  | RAP and Revenue Bureau   | September 2017  |
| <b>10</b> | <p>Management should develop and monitor the RAP budget in detail, confirming that expenditures are accurate and allocations to the RAP budget are valid and add value to RAP operations and stakeholders.</p> <p>Some steps that Management should take are:</p> <ul style="list-style-type: none"> <li>• Confirm that efficiencies are in place in the department that will provide short- and long-term savings for the City, and that resource needs are thoughtfully considered. This is consistent with a budgetary review expected of all city department managers</li> <li>• Use financial planning tools such as trends and statistics and economic forecasts to anticipate and estimate how changes in the housing market will impact RAP</li> <li>• Develop a policy for reserves management outlining the disposition of these funds including taxpayer refunds, program enhancements, or funding future investments in RAP systems and operations</li> <li>• Develop a Capital Investment plan to identify necessary significant investments that will reduce costs over the long term</li> </ul> | With the FY 2017-2018 biennial budget process coming up, HCD leadership will work with the RAP manager to develop a budget that reflects upcoming program needs. In this, they can evaluate and incorporate the steps listed into the budget process, for implementation by the first quarter in FY 2017-2018. | RAP staff                | Approximately June 2017   |



**WHAT IS THE RESILIENCE  
CHALLENGE FOR OAKLAND?**

**OAKLAND wants to improve the rent adjustment program (RAP) AND THE FIRST TACTICAL ACT is to migrate RAP's paper based process to a web experience.**



## **THE SECOND CHALLENGE**

**THE CITY OF OAKLAND IS  
LOOKING TO EVOLVE THE WAY  
IT ENGAGES THE COMMUNITY  
TO SOLVE PROBLEMS.**





**We created a sample sketch for a RAP website as a way to start a conversation between renters, owners and city officials.**

**We brought our sketches to a one-day workshop to hear everyone's reactions.**



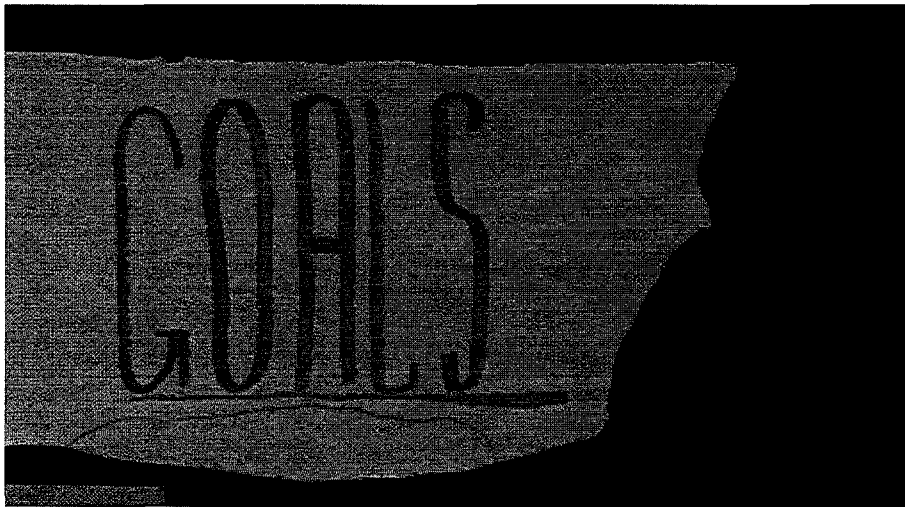
**This was a bit of a head-fake.**

**The point wasn't about the web design;  
it was to get people talking to each  
other, and to give us - and Oakland - a  
chance to listen.**



## TWO PART AGENDA

### PART ONE : 2 HOURS : JUST THE CITY

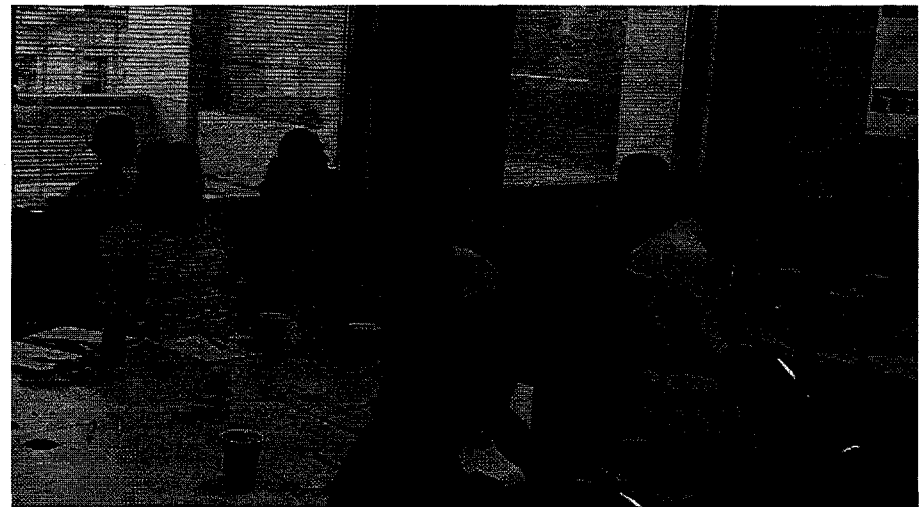


We worked with City stakeholders to gain insight into their needs and fears, as well as to build some alignment moving into the second half of the day.



frog worked with the Oakland CRO and team to align on goals for a day-long workshop that was broken into two parts.

### PART TWO : 5 HOURS : CITY, RENTERS, OWNERS



The second half of the day was a blend of renters, owners, city stakeholders and various reps working together to understand the website direction, and reveal additional opportunity areas for the city.

# PART ONE : CITY STAKEHOLDERS

We worked with City stakeholders to gain insight into their needs and fears, as well as to build some alignment moving into the second half of the day.

## Participants included:

- Barbara Cohen
- Ethan Guy
- Kiran Jain
- Ahsan Baig
- Michele Byrd
- Chinwe Ifeoma Olike
- Mai-Ling Garcia
- Robert Costa



# PART TWO : OAKLAND AT LARGE

The second half of the day was a blend of renters, owners, city stakeholders and various reps working together to understand the website direction, and reveal additional opportunity areas for the city.

## Participants included:

- Barbara Kong-Brown
- Barbara Cohen
- Selene Chala
- Mr. G
- Debra Lew
- Linda Lonay
- JR McConnell
- Brenda Roberts
- Martina Cucullu Lim
- James Vann
- Kiran Jain
- Jill Broadhurst
- Ahsan Baig
- Brian Geiser
- Sharon Kong
- Ethan Guy
- Kirill Mazin
- Michele Byrd
- Chinwe Ifeoma Olike
- Rose Mary Kennedy (frog)
- Gabriel Scheer (frog)
- Matt Conway (frog)
- Chad Lundberg (frog)



## USER STORIES

# WE PRIORITIZED TWO FOR THE DAY OF THE WORKSHOP

I am a tenant and I'd like an adjustment to my rent because my owner removed my laundry facilities.

I am an owner and I'd like to increase rent because I just replaced the roof.

I am a tenant and I would like a re-adjustment of my rent because my owner raised my rent over the CPI limits.

I am an owner and I would like RAPs assistance because a tenant is challenging a rent increase.

I am a staff member for the city of Oakland and I would like a faster way to process paperwork, because our pipeline depends on my efficiency.

I am a tenant and I would like an adjustment to my rent because my owner has raised my rent more than 30% in 10 years.

I am an owner and I would like to issue notices and copies of the rent program to all my tenants so that my tenants are aware of their rights as renters.

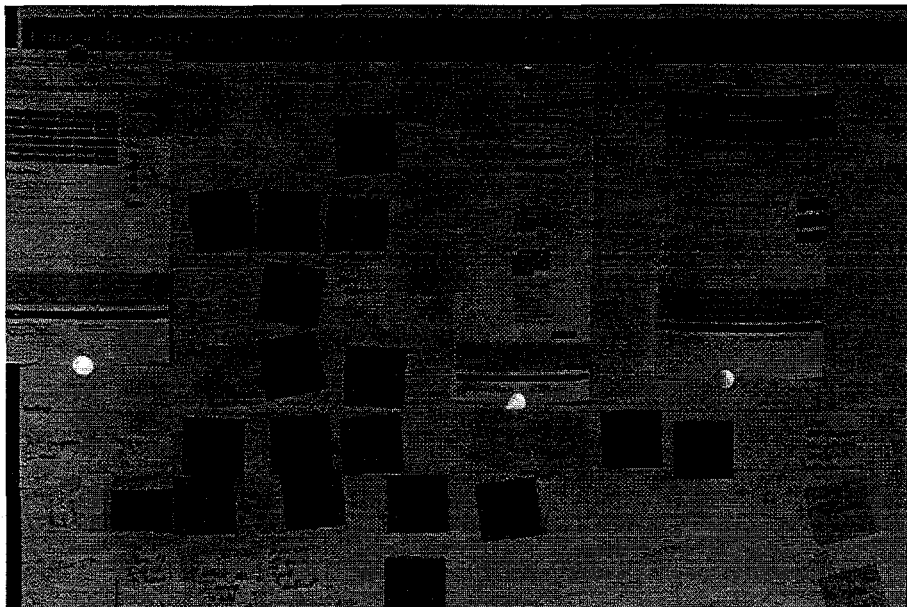
I am a staff member for the city of Oakland and I would like to schedule a hearing between an owner and a tenant to resolve a conflict.



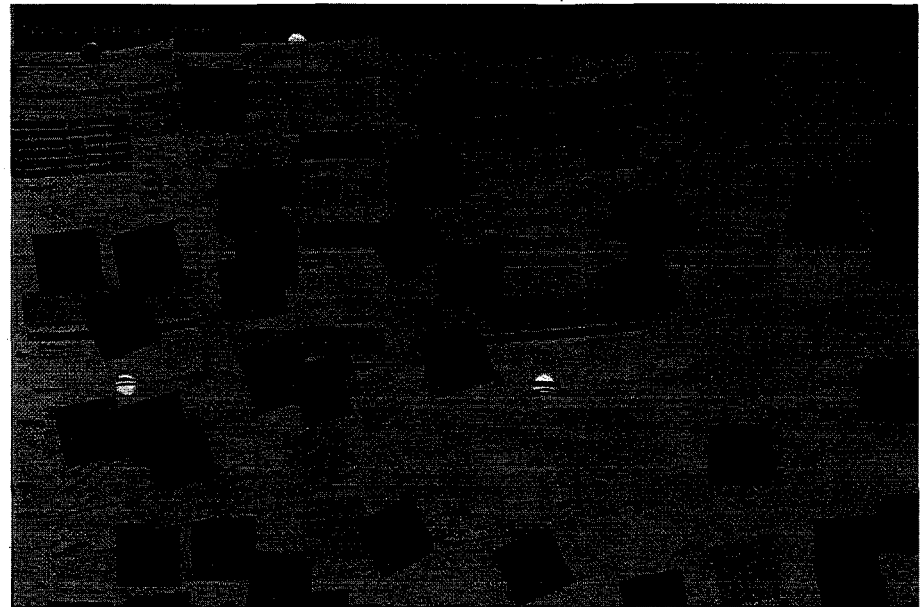
# THE PROCESS

frog walked through each of the user stories with two groups to gather input, spark discussion and document the needs of the RAP website – additionally, we captured opportunity areas that transcend the website itself.

GROUP 1



GROUP 2



**frog collected the input and  
identified four main themes**



## THEME ONE

# UNIVERSAL ACCESS IS PIVOTAL

NON-ENGLISH, NON-SMARTPHONE, DIGITAL AND PAPER PROCESSES TO BRIDGE THE DIGITAL DIVIDE ARE KEY TO ACCESSIBILITY

Provide a system that translates “legalese” jargon to easy, everyday language to make the process, the resources and the program easy to understand by all. Speak in the language of your renters and owners, not the language of lawyers, judges, and city officials.

Engineer a solution that supports digital, face-to-face, and paper inputs at the same time. This bridges the digital divide and enables users to engage in a way that works best for them at any point throughout the process. (add voice? texting?)

Offer a mechanism to retrieve a hard copy of digital documentation. This allows for those without digital means to be equally informed as those who have access to the digital formats.

Ensure any solution is compliant with ADA standards before deployment.

Employ translators to have accurate translations of all instructions and resources available in the core languages prevalent in Oakland.

Allow for users to set a preference for whether they need a translator for any person-to-person interactions.



## THEME TWO

# THE RAP WEBSITE NEEDS TO BE AN EDUCATIONAL KNOWLEDGE BASE

HOW DOES THE PROCESS WORK OVERALL? HOW DOES THIS SITE WORK? WHAT ARE THE ORDINANCES INVOLVED? WHAT IS REQUIRED OF ME?

Ensure there is proper education on the process overall. This key to any digital or analog process.

Provide “How can I...?” resources for all users before a login-wall. General knowledge education empowers residents and can help them avoid ever having to go through a petition process.

Implement a trustworthy and modern search mechanism – surfacing content based on user patterns and providing related content enables users to find what they need when they don’t know exact terms.

Provide up-to-date workshops, events and civic meetings both on the site and through social channels. These types of events allow for the latest information to be communicated and those without digital means to be as informed as those with digital access.

Ensure there is an up-to-date library of forms and notices that include best practices, examples of real documents, and how to use them.





## THEME THREE

# PROVIDE FULL PROCESS TRANSPARENCY

ON-SITE, PHONE, SMS, EMAIL, AND OTHER MEANS SHOULD BE USED TO COMMUNICATE PROACTIVELY

Ensure there are mechanisms that let users know where they are in the process, what they need to do next, and how long it will take, upcoming deadlines. Be sure to include all relevant actions in situ for ease of actions.

Provide petition summaries and past actions by tenants to owners, and actions by owners to tenants. The transparency from both sides gives an even playing field.

Ownership changes of rental units should be transparent and communicated to all parties. Ensure owners know what they are responsible for and inform tenants so they know who their new property owners are.

Deadlines, next steps, and decisions should be communicated to users through notifications that fit their needs – automated phone call, email, SMS, and postal mail are all options and should be configurable by users.

Encode ordinances and best practices into the logic of the system itself and do not allow for the process to move forward if it is not compliant. For example, the system could confirm that a tenant has contacted the building owner before allowing a petition to proceed.



## THEME FOUR

# SAFETY AND SECURITY BUILD TRUST IN THE SYSTEM

DATA INTEGRITY, RETRIBUTION, HARASSMENT, AND HOMELESSNESS ARE CURRENTLY PART OF THE EXPERIENCE

As the connections between the city, tenants and owners moves forward, the need for varied levels of access will be required. Ensure there are systems in place to keep confidential inform from being distributed or shared beyond those with the necessary access.

Institute mechanisms or policies that ensure checks and balances are in place with actions taken beyond a checkbox. Confirming quality of repairs or confirming proper communication to owners are two examples

Ensure proper security to keep pictures, phone numbers, addresses, SSN and the like are kept confidential.



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# **City of Oakland**

**Rent Adjustment Program  
Portal**

**Research Findings &  
Implications**

**November 14, 2016**

**tomorrow**

## **What we'll cover today**

- 1 Context**
- 2 User Modes**
- 3 Research Insights**
- 4 Design Principles & North Star**
- 5 Portal Definition**
- 6 Paradigm Shift from Analog to Digital**
- 7 Appendix**

---

# Context

tomorrow

**Oakland itself is complex.**



**Oakland is a renter's market,  
...and an expensive one,  
...both for renters,  
...and for many landlords,  
...many of whom speak  
languages other than English.**

Renters comprise 59% of Oakland households.<sup>1</sup> This is lower than the national average of 63%.<sup>2</sup>

Fair markets rents have doubled since 2011.<sup>2</sup> The average percentage of rent-to-median income increased from 44% in 2011 to 70% in 2015.<sup>3</sup>

Oakland has a higher than national average percentage of people living below the poverty line.<sup>2</sup> A majority of renters across 15 neighborhoods would not be able to afford a median-priced home in their neighborhood.<sup>1</sup>

56% of rental units are subject to rent stabilization requirements (capped at CPI)<sup>1</sup> in a market where median home value has increased 11% in the last year alone.<sup>4</sup>

42% of Oakland residents, which is double the national average, are speakers of languages other than English.<sup>2</sup>

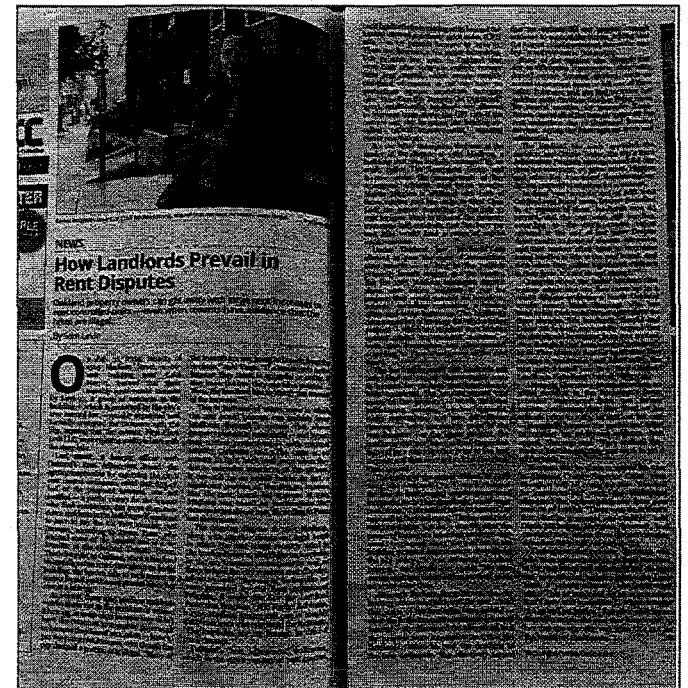
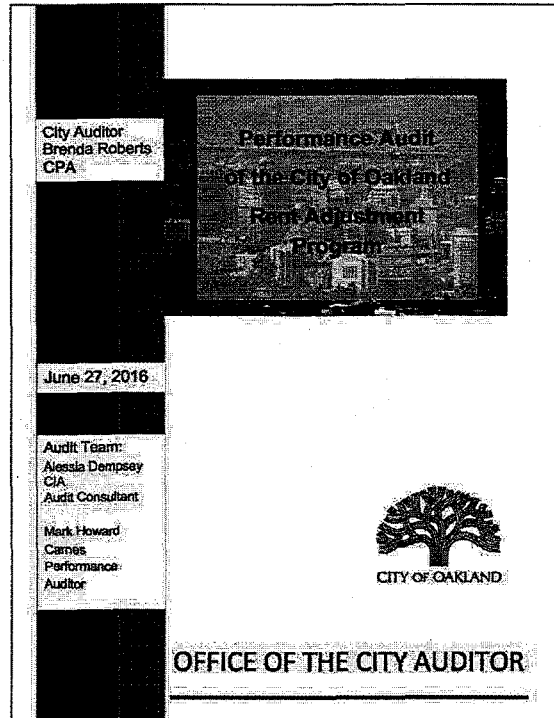
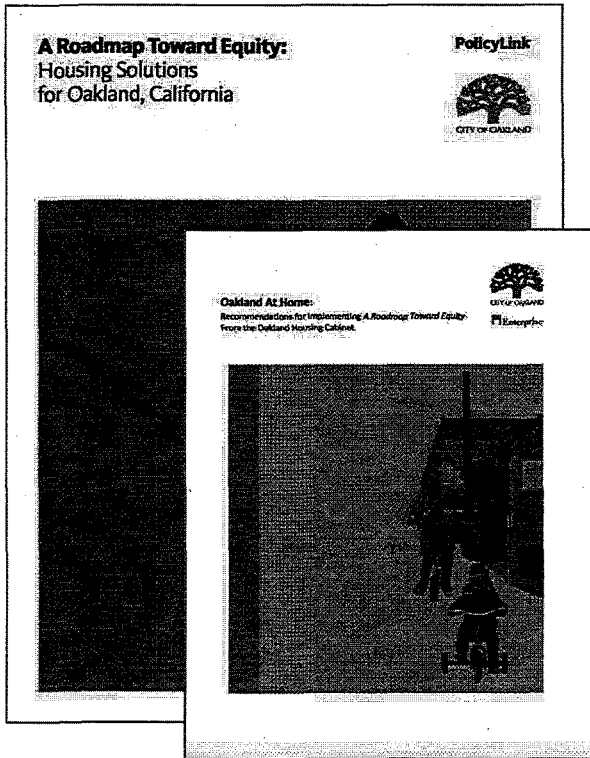
[1] <http://www.policylink.org/sites/default/files/pl-report-oak-housing-070715.pdf>

[2] <https://datausa.io/profile/geo/oakland-ca/#housing>

[3] <http://www.eastbayexpress.com/SevenDays/archives/2015/12/09/study-oaklands-housing-affordability-crisis-is-the-worst-among-major-us-cities>

[4] <http://www.zillow.com/oakland-ca/home-values/>

Much has been said, in master plans, audits, reports and also in the local press.

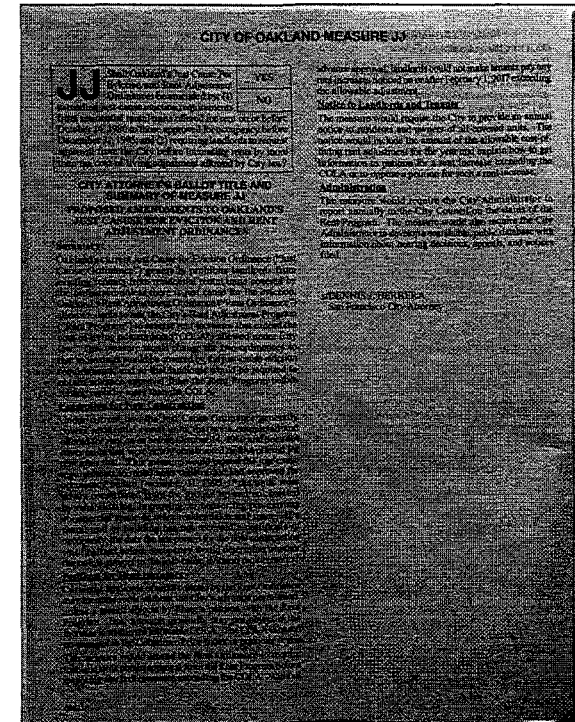
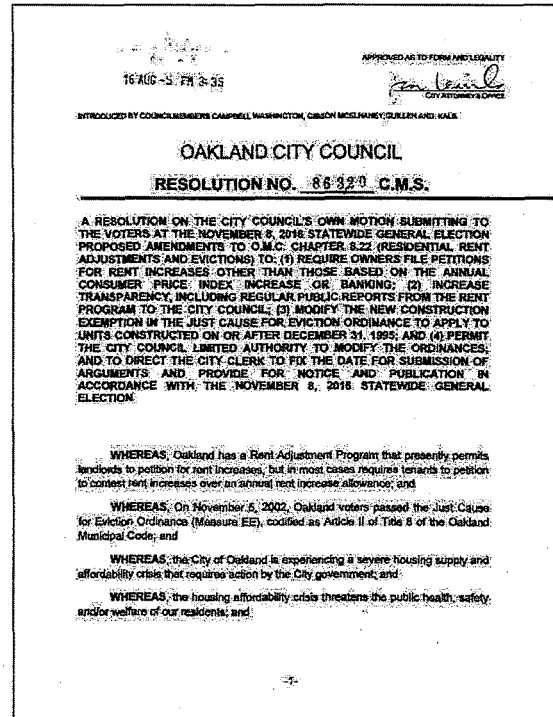
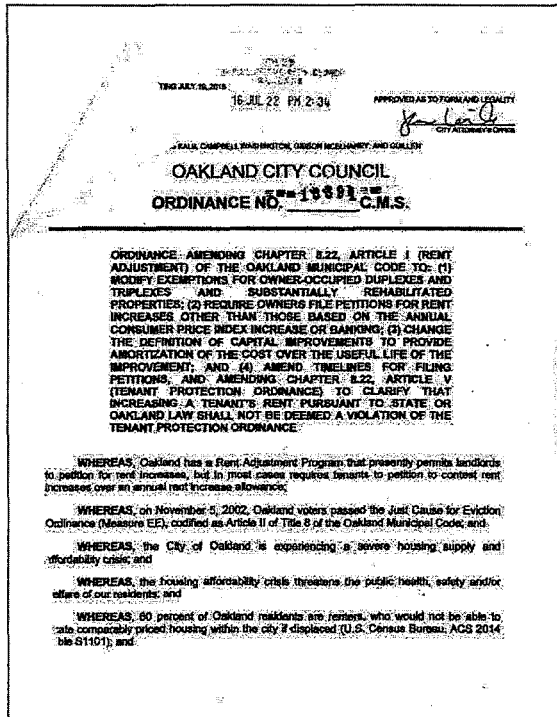




**And some work was done already, generating input from the community, internal stakeholders, and designers like us to frame the RAP Portal.**



# Changes to legislation are constant, requiring tenants and landlords to keep informed and RAP staff to adapt.



# Digital literacy is a factor the RAP Portal and experience should consider.

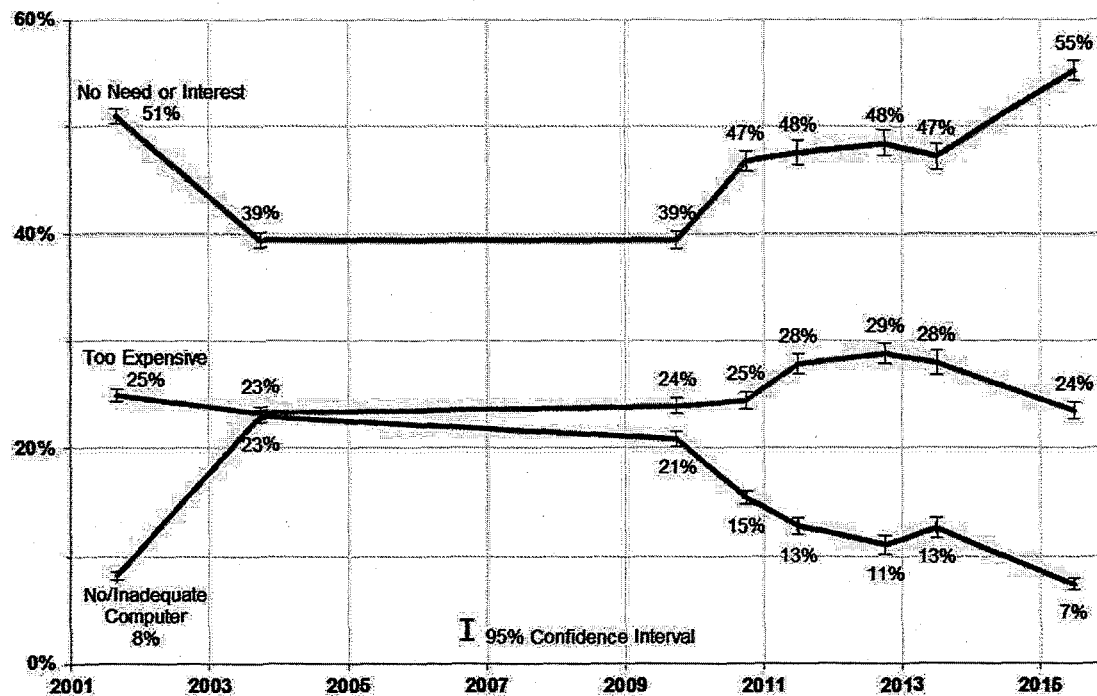
“

As more people in lower income families access the internet, government needs to be there to serve them.

”

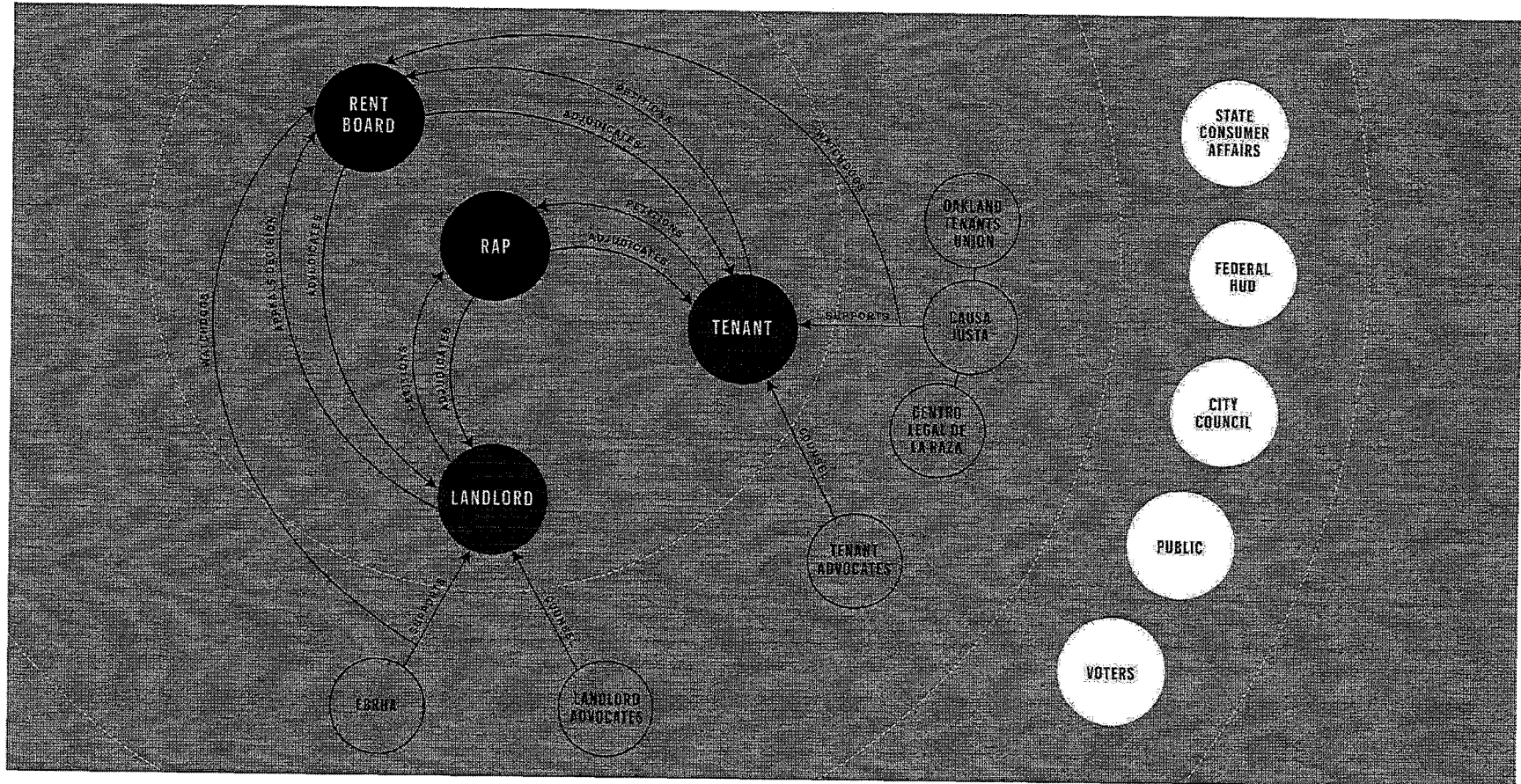
— President Obama's ConnectALL initiative

### Reasons for not using the internet at home



Source: <https://www.ntia.doc.gov/blog/2016/digitally-unconnected-us-who-s-not-online-and-why>

# There are many players connected to the City's RAP.



# A consistent vocabulary matters.

Rent ordinances are complex and hard to understand for most people. The hearing process is also very complex.

You're considering replacing the terms "tenant" and "landlord" with "renter" and "property owner". We recommend instead you not strike the terms completely from your vocabulary because they are so prevalent.

"Tenants" and "landlords" are widely used by most rent adjustment boards around the Bay Area, at all levels of government, and in the documentation and information that RAP currently provides. The letters "T" and "L" have also been part of the RAP's file naming system for a long time and a complete change in how these main roles are referred to may cause confusion both externally and internally.

tomorrow

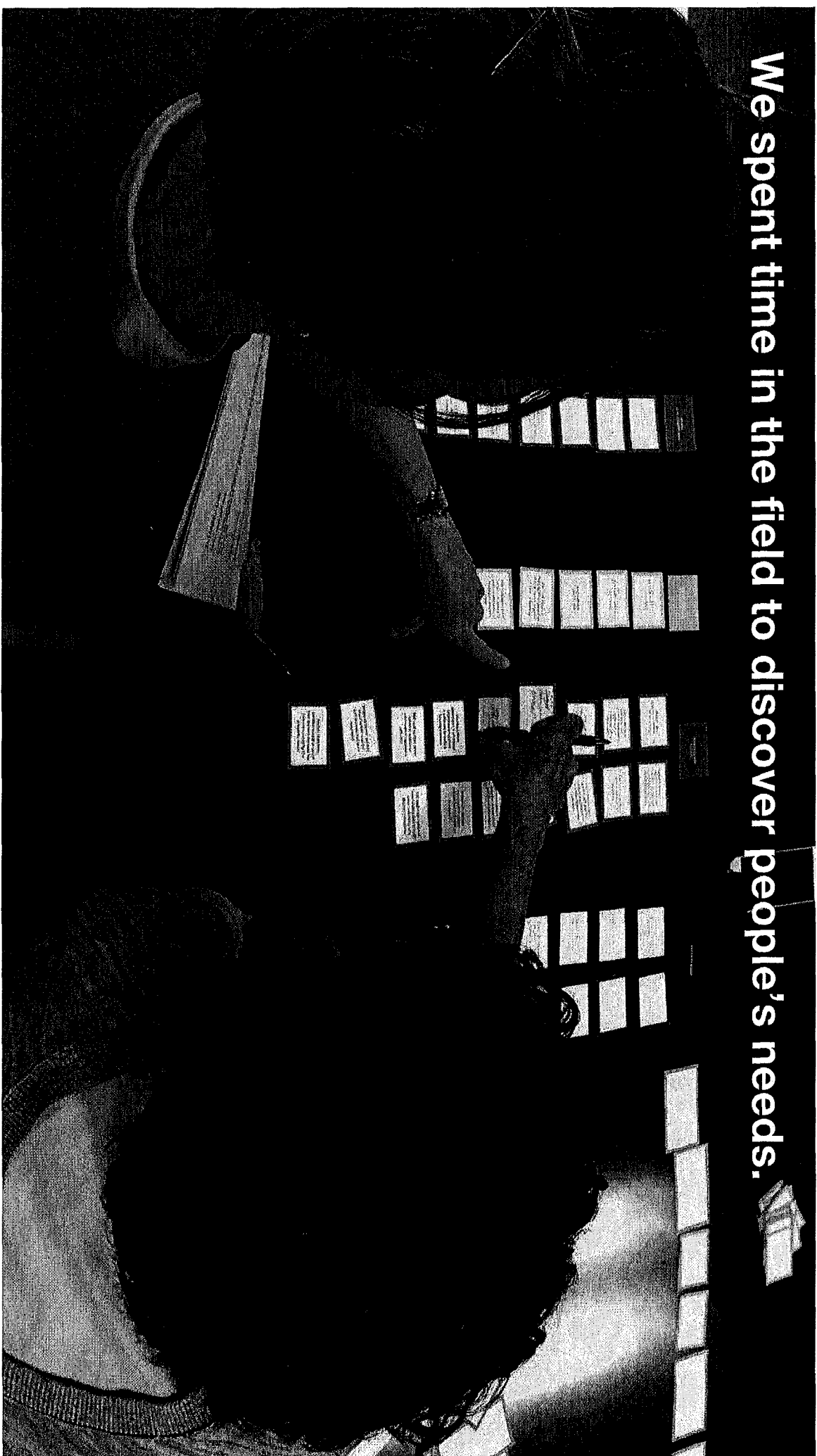
Housing of the City of Alameda  
CENTRO LEGAL  
California Department of Consumer Affairs  
HUD.GOV  
EBRHA  
OAKLAND TENANTS UNION  
JUST CAUSE  
TENANT SERVICES  
RP-OSG Landlord Tenant Rent Increase Agreement

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# User Modes

tomorrow

**We spent time in the field to discover people's needs.**



## We engaged with user groups.

**2**

1:1 INTERVIEWS WITH

**Tenant**

Stakeholders

**8**

1:1 INTERVIEWS WITH

**City**

Stakeholders

**3**

1:1 INTERVIEWS WITH

**Landlord**

Stakeholders

**2**

GROUP SESSIONS WITH

**City**

Stakeholders



**We found that each user has several “modes”, ways in which they interact with the Rent Adjustment Program.**

## Tenant

- 1 Trying to **understand** the ordinance
- 2 Searching for **advice**
- 3 Petitioning against a **rent increase**
- 4 Petitioning against a **loss of service**
- 5 **Appealing** a RAP hearing decision

## Landlord

- 1 Petitioning for rent increase **pre-approval**
- 2 **Responding** to a tenant petition
- 3 **Appealing** a RAP hearing decision
- 4 Petitioning for Certificate of **Exemption**
- 5 Petitioning for “**fair return**”

## City

- 1 **Providing information** to the public
- 2 Administering **business processes**
- 3 Making a **hearing decision**
- 4 Making an **appeal decision**
- 5 Responding to **public concern**

**Users have different needs in each of these modes, different motivations for engaging with the program or with each other, and with each mode comes a different feeling.**

**Why do we care about users' feelings?**

**Because when we can empathize with them, we create better interactions for an experience that is easier and more satisfying.**

## So, what is the tenant feeling?

1

Trying to understand  
the ordinance

**Curious**

*“About 70% of the calls that come into RAP are people trying to understand the ordinance.”*

2

Searching for  
advice

**Confused**

*“If your situation doesn’t fit 100% with the ideal situation, which happens a lot, then the petition form won’t work for you.”*

3

Petitioning against  
a rent increase

**Anxious**

*“Imagine how you would feel and how anxious you would be if where you lived was not secure or stable.”*

4

Petitioning against  
a loss of service

**Afraid**

*“Tenants don’t want to get into a fight with the landlord because they think, ‘He might make conditions bad for me.’”*

5

Appealing a RAP  
hearing decision

**Defeated**

*“Many people give up, even when they have a good case. They say, ‘I just don’t want to go through it.’”*

# What is the landlord feeling?

1

Petitioning for rent increase pre-approval

**Overwhelmed**

*“The average owner owns six or seven units. They will become overwhelmed with this.”*

2

Responding to a tenant petition

**Defensive**

*“RAP thinks their job is to keep rents low, not to just administer the ordinance.”*

3

Appealing a RAP hearing decision

**Adversarial**

*“A tenant will always appeal because it delays them having to pay the rent increase.”*

4

Petitioning for Exemption

**Clueless**

*“A lot of owners don’t do it— they don’t understand.”*

5

Petitioning for “fair return”

**Outmaneuvered**

*“I’m not an expert in ‘fair return’ because nobody is. It would require an appraiser, an economist, and an accountant.”*

# What are City staff feeling?

1

Providing information to the public

**Cautious**

*"It's our job to serve tenants and owners, but there is dense language, redundancy, and we have to avoid legal liability."*

2

Administering business processes

**Overloaded**

*"We try to keep up with the changes and streamline, but we still feel saddled."*

3

Making a hearing decision

**Uncomfortable**

*"We have four very different hearing officers with four very different styles. Some decisions are long, some are shorter."*

4

Making an appeal decision

**Exasperated**

*"People don't understand what makes a strong appeal. More often than not, we are affirming the hearing officer's decision."*


5

Responding to public concern

**Challenged**

*"People are concerned about transparency. We need a modern HCD website, but we have to consider staff as users, too."*

## Two themes emerged regarding user needs.



Tenants and landlords have a shared desire for more informal modes of conflict resolution — particularly legal mediation.


“It’s kind of unfortunate because a number of the issues could be resolved through mediation. It’s just a lack of communication at the ground level.”

— Tenant Stakeholder

“Mediation is the last time that you as a landlord actually have a hand in shaping things. Because there are a thousand ways when you’re in a hearing things can not go your way. In mediation, you still have a vestige of control.”

— Landlord Stakeholder

## Two themes emerged regarding user needs.



Tenants and landlords feel  
RAP is either unaware or  
unwilling to play the role  
that they both wish for  
RAP to play.

“You hear all these  
cries for transparency,  
but I think  
it’s sour grapes  
because there’s  
usually some kind of  
crisis point.”

—City Stakeholder

“If the RAP office had  
an emphasis on  
mediation, it would go  
a really long way. I  
don’t think it’s  
intentional, but the  
way it is set up now is  
to engender conflict. I  
really do believe  
neither landlords nor  
tenants want to be at  
each other’s throats.”

—Landlord Stakeholder

---

# Research Insights

tomorrow



**We uncovered five insights – opportunities for design that will inform both the portal and the service experience.**



## Three insights can help us improve communication.

“You hear all these cries for transparency, but I think it’s sour grapes because there’s usually some kind of crisis point.”

HOW MIGHT WE...

**Make people feel like they were heard?**

“The City wants to make the Rent Board as adversarial as possible. This isn’t fun for anybody.”

HOW MIGHT WE...

**Optimize for conflict avoidance?**

“If you’re doing a capital improvement increase, when tenants see the calculation, they don’t complain as much.”

HOW MIGHT WE...

**Communicate the right thing at the right time?**

## Two insights can help us leverage human tendencies.

“This process has kind of blown apart the sense of community we worked so hard to create with our tenants.”

HOW MIGHT WE...

**Humanize and add warmth to this experience?**

“With respect to forms, the attention span of almost all people is about one page.”

HOW MIGHT WE...

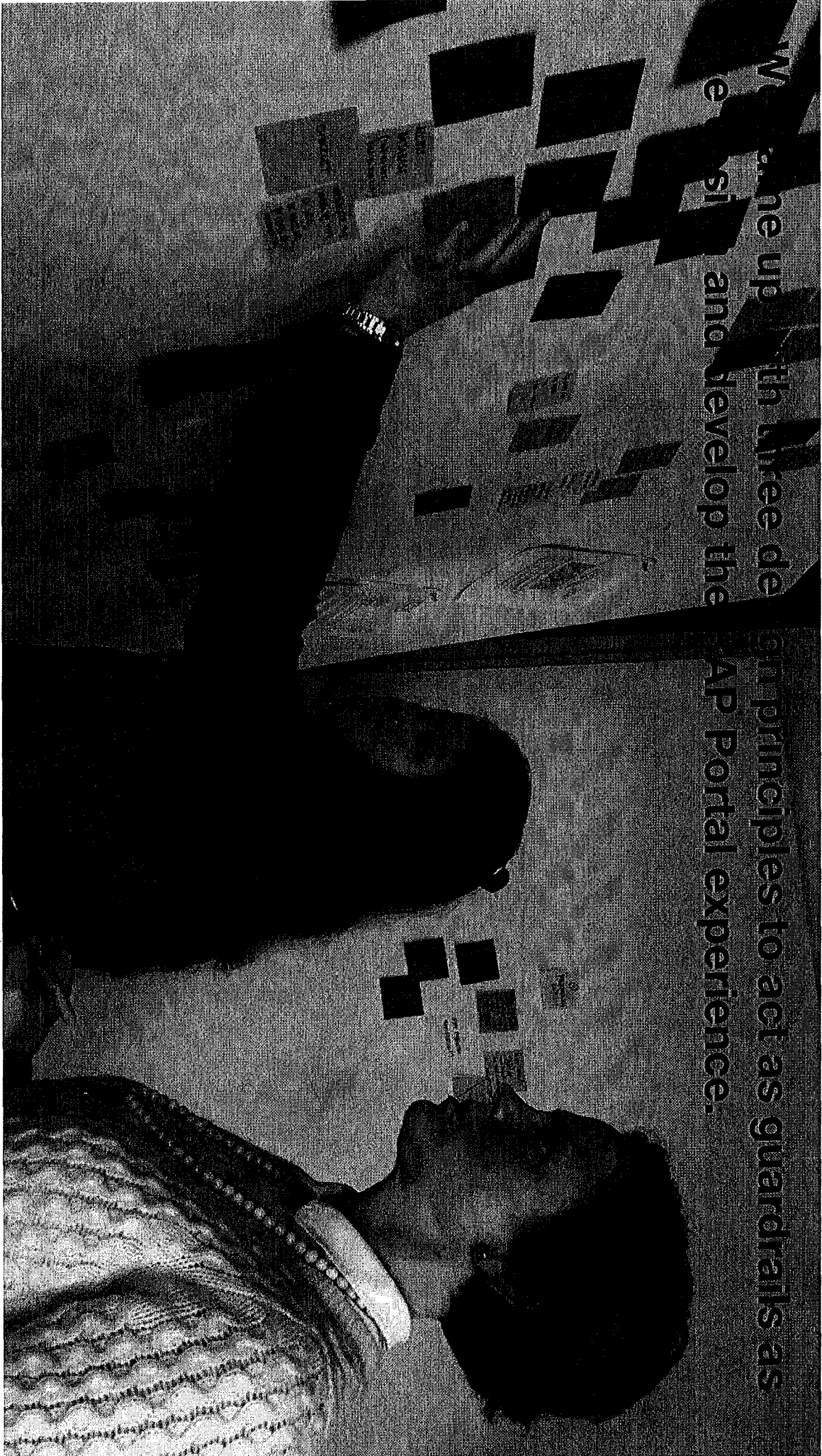
**Cleverly nudge the behaviors we want?**

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# Design Principles & North Star

tomorrow

We came up with three design principles to act as guardrails as we build and develop the SAP Portal experience.



# People first.

In the eyes of tenants and landlords, the Rent Adjustment Program is a **holistic service experience**.

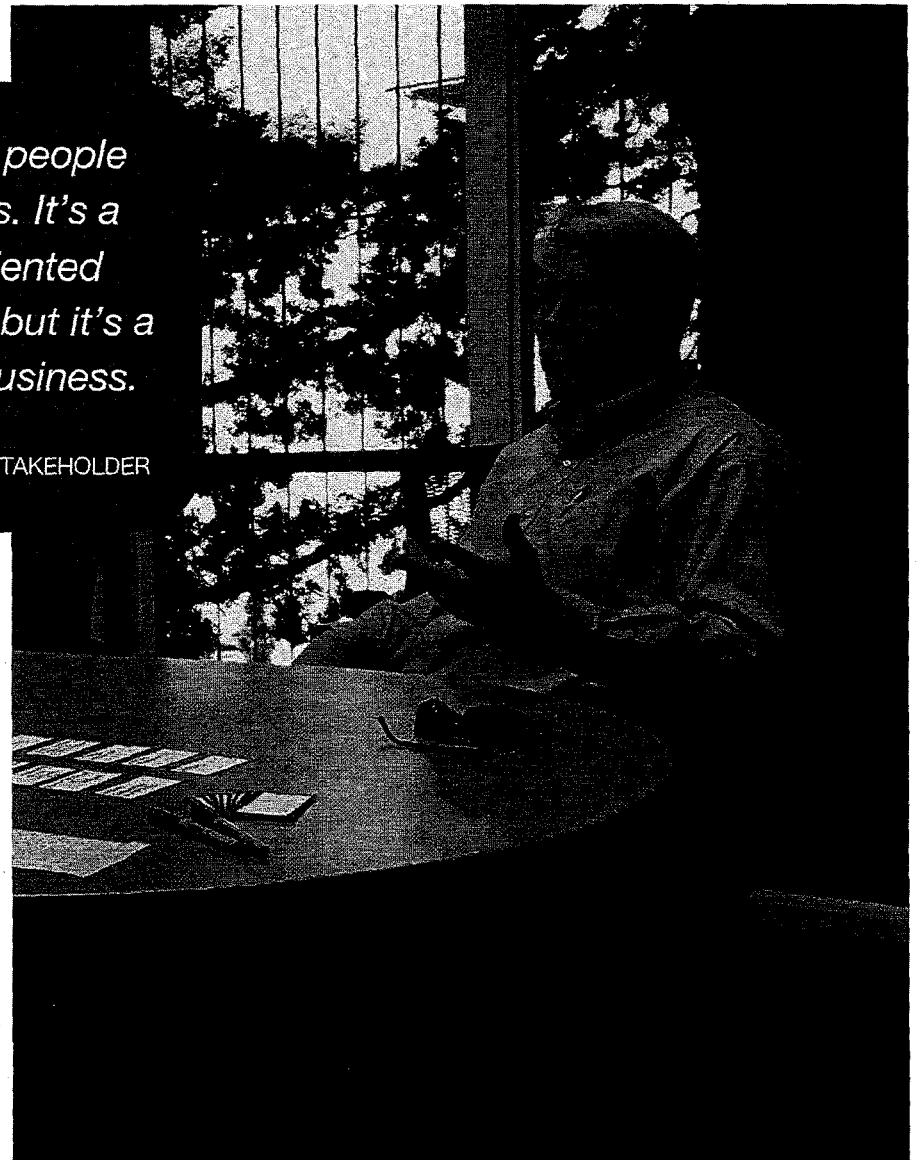
It involves many tools, systems, forms, events, and processes, but the **common thread** across all of it is people.

People are going through incredible stress—their homes and livelihoods are at stake—**deep empathy** is paramount.

**tomorrow**

*This is a people  
business. It's a  
rule-oriented  
business, but it's a  
people business.*

—LANDLORD STAKEHOLDER



# Expanded definition of success.

Let success also be a **conversation** instead of only a petition.  
Let filing petitions and proceeding to hearings be a last resort.

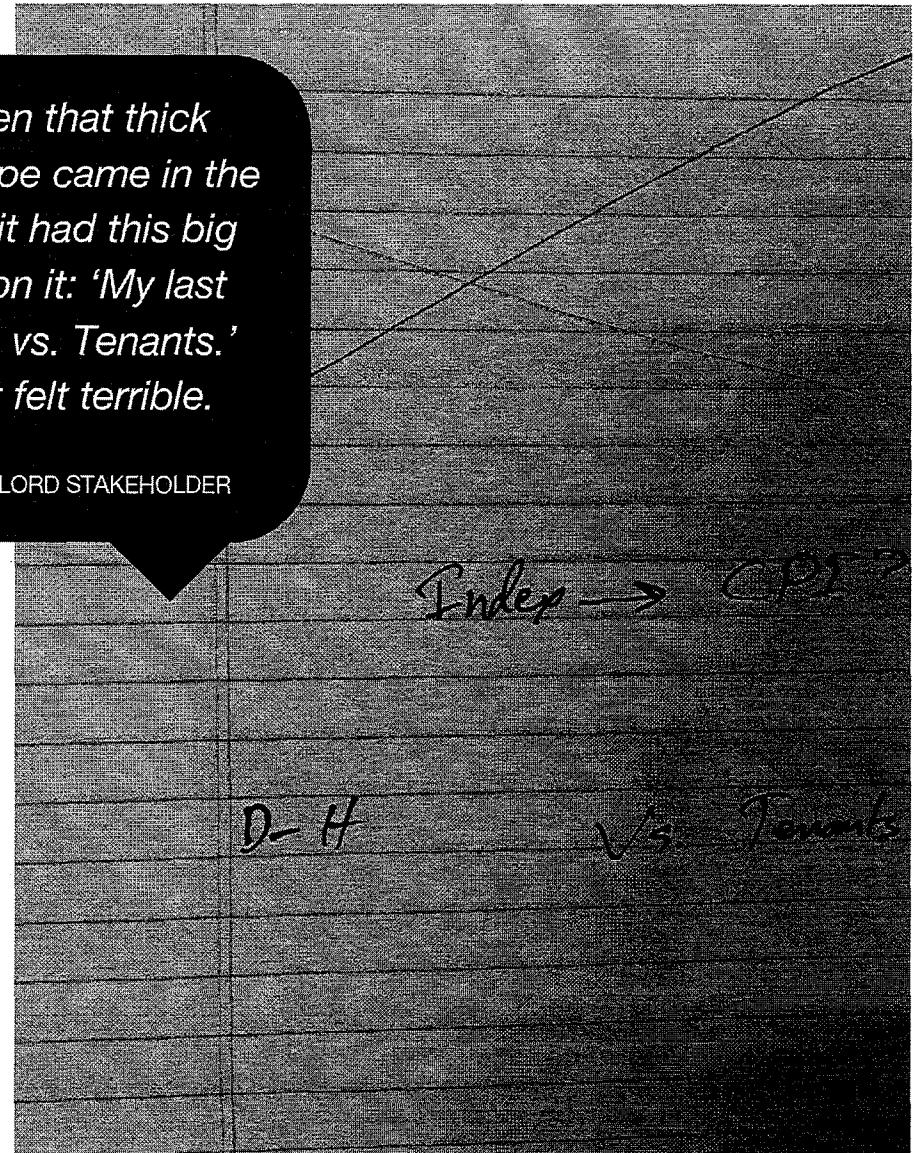
Like a good **marriage counselor**, take any opportunity to foster good faith between parties, including voluntary dismissals.

**Diffuse emotions** (and petitions) by avoiding “versus” type language—avoid words that sound combative or simply cold.

**tomorrow**

*When that thick envelope came in the mail, it had this big title on it: 'My last name vs. Tenants.' That felt terrible.*

— LANDLORD STAKEHOLDER



*Most people need to be walked through the petition. There's a lot of dense language, and the lawyers decided how much instruction could go into the form.*

— CITY STAKEHOLDER

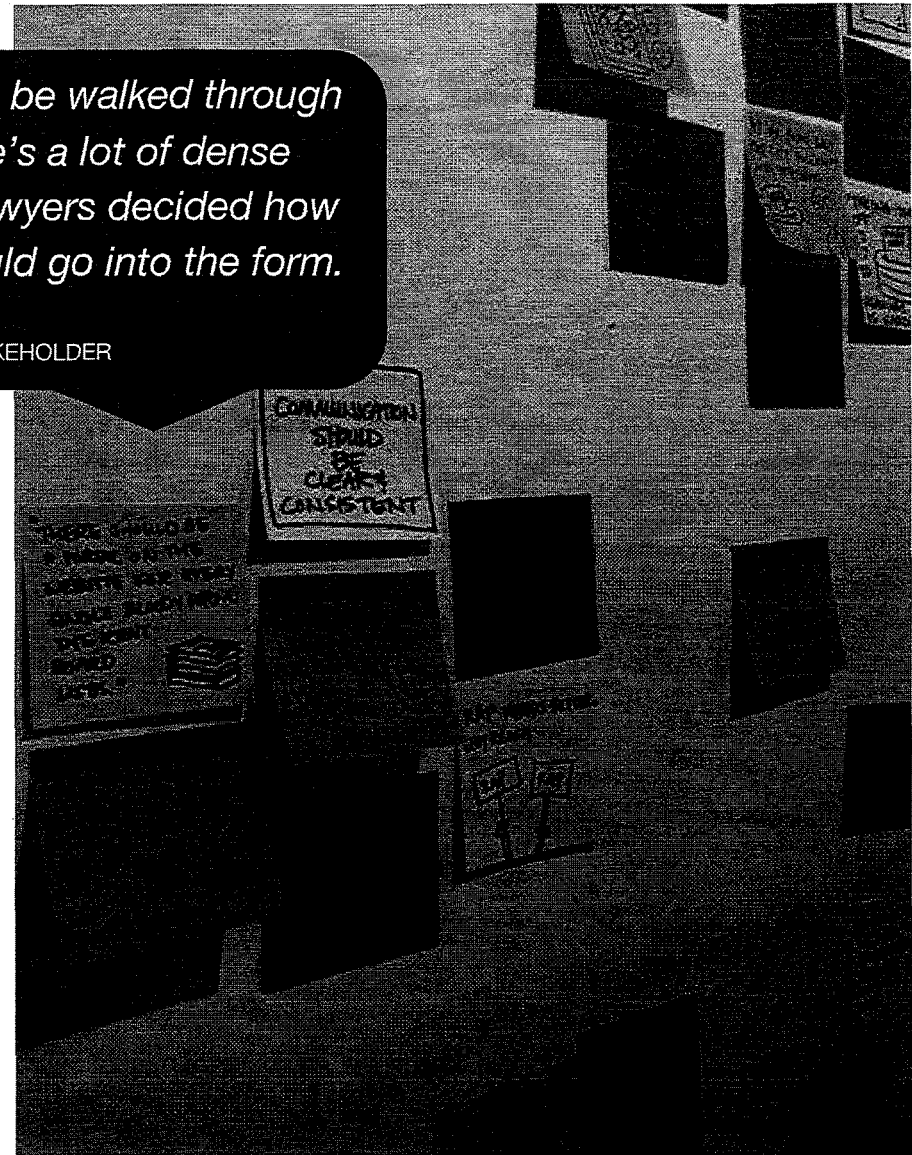
# Radical transparency.

Any kind of inconsistency—whether with forms or hearing officer decisions—**feels like opacity.**

Filter text material through **writers who specialize** in preparing dense, legal communications for public consumption.

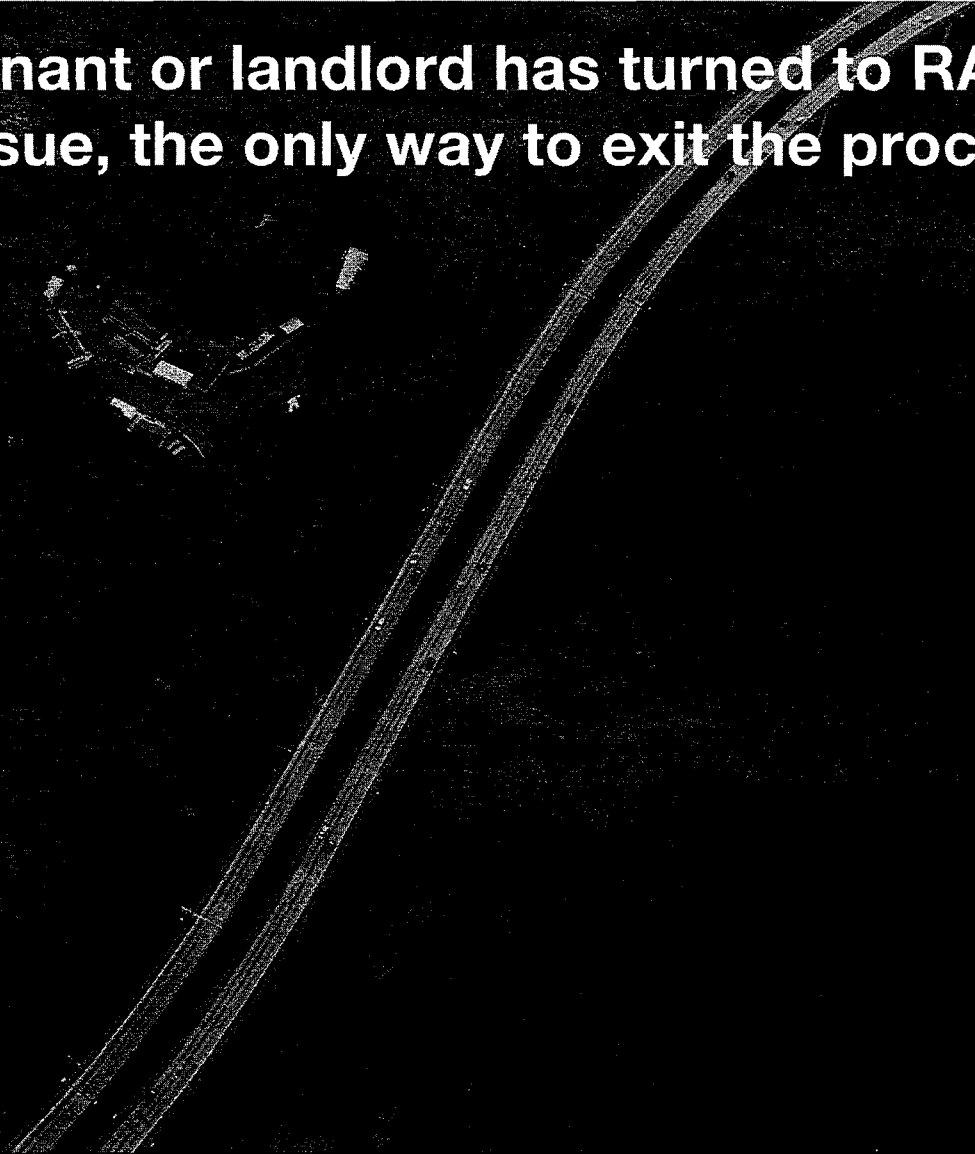
Leverage the site and web app to encourage healthy, open dialogue between tenants and landlords where **nothing is hidden.**

**tomorrow**

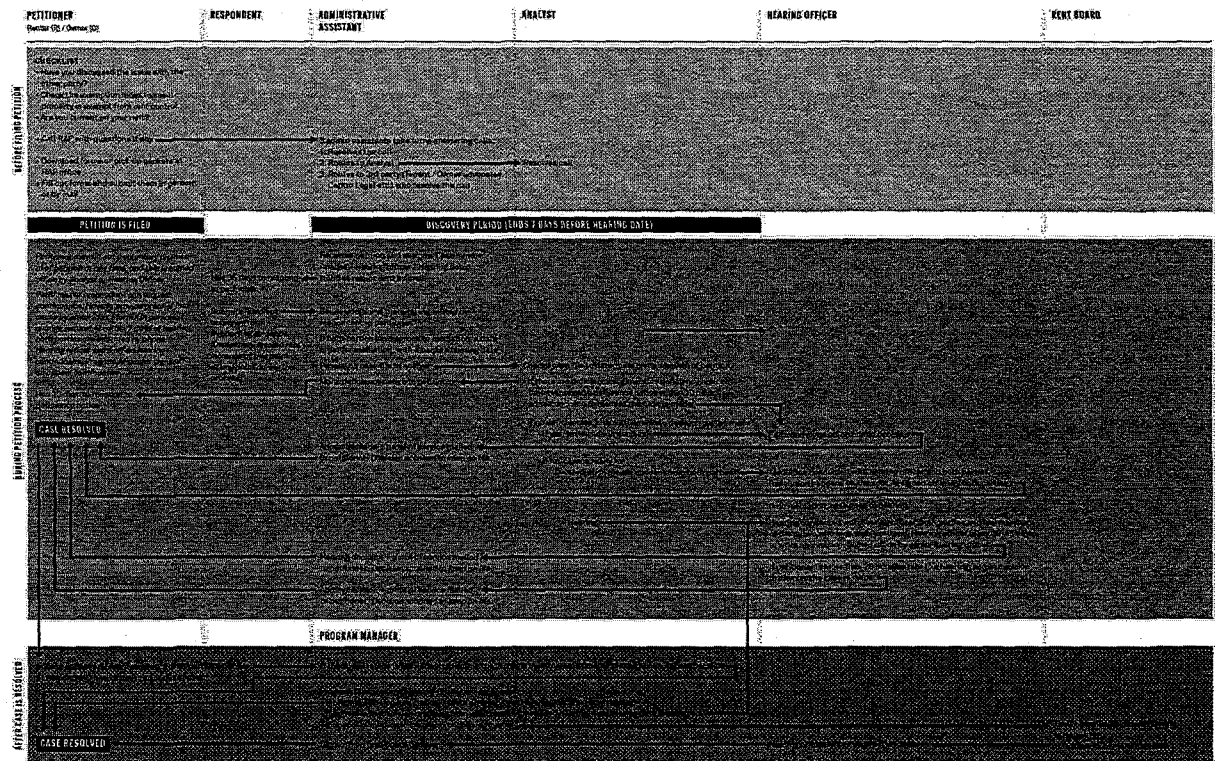




**Currently, once a tenant or landlord has turned to RAP for help resolving an issue, the only way to exit the process is to give up.**



# We tracked a case through the program and realized: The case journey is also a people journey.



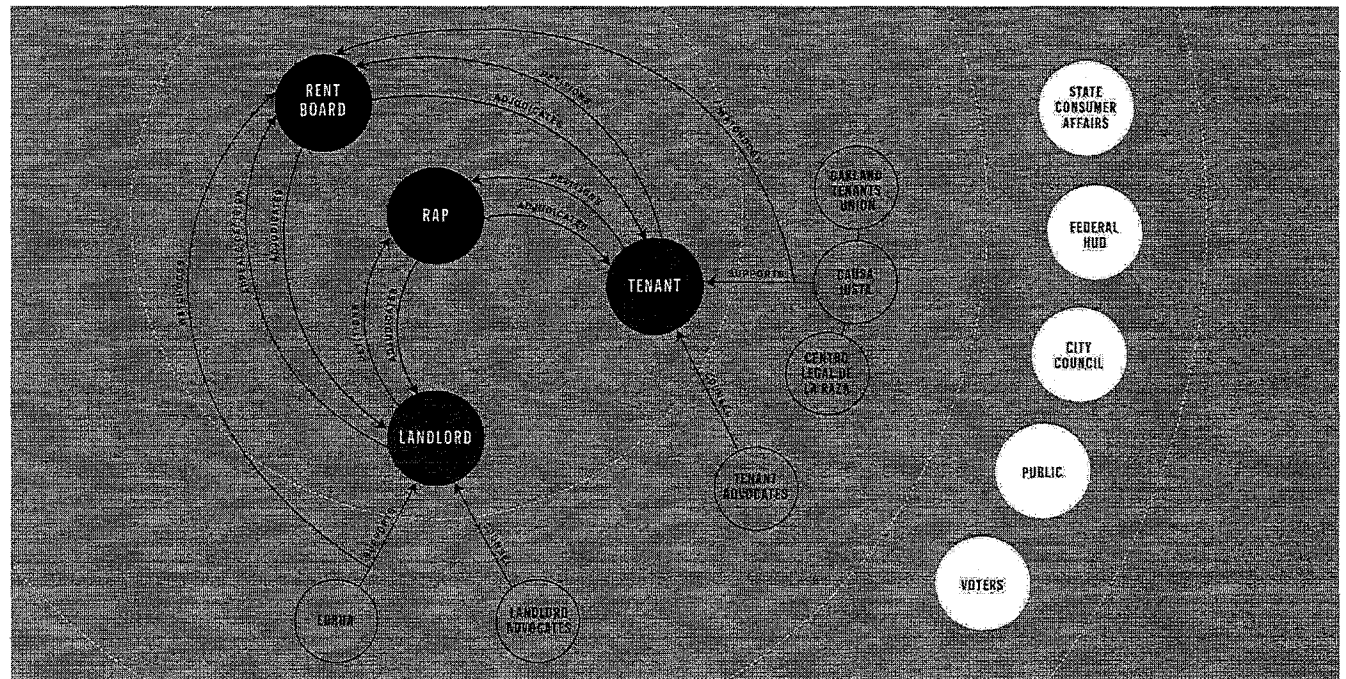
See Case Journey in Appendix

**Users need exit ramps and avenues along the way that encourage and facilitate conflict resolution *before* the point of hearing or appeal.**

**Our “North Star,” statement can help align goals and make sure everyone works toward a unified experience for the public.**

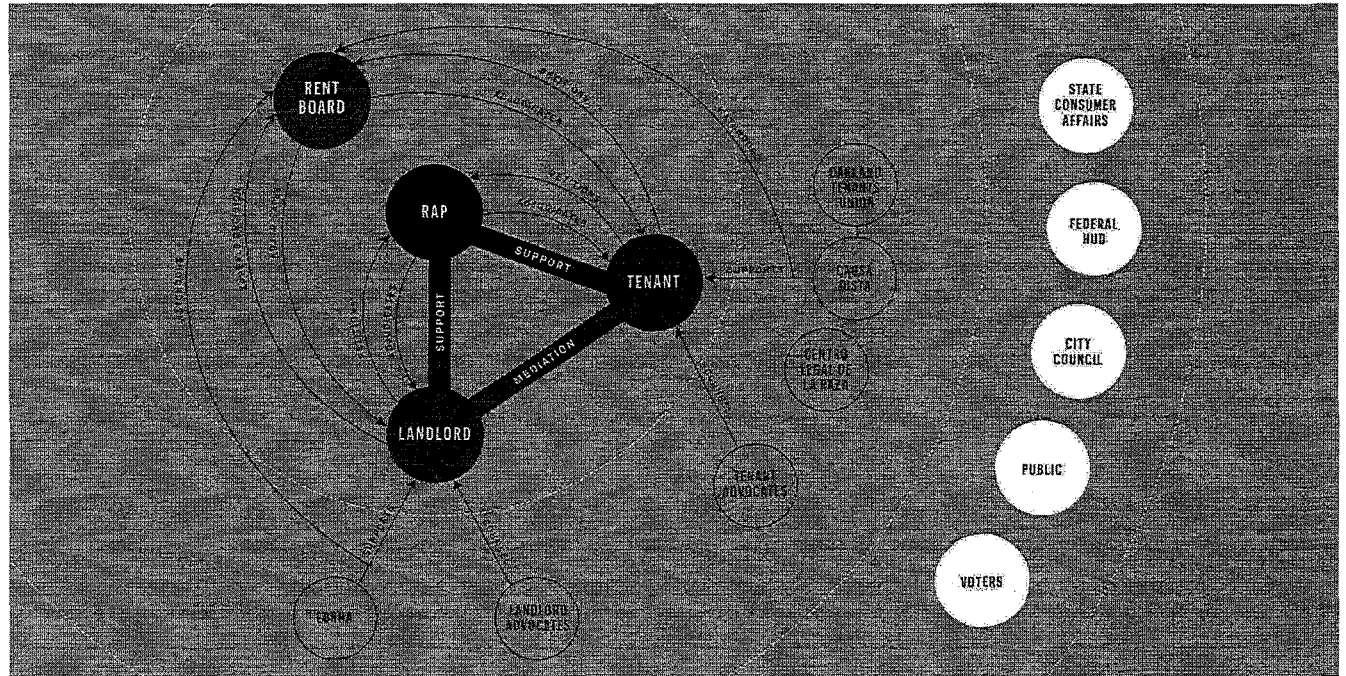
**Our “North Star” is to preserve hearings and appeals for disputes that require it, and only after all other resolutions have tried and failed, and encourage conflict resolution throughout, and when necessary, use hearings.**

**In the current system, tenants and landlords go through RAP for adjudication.**



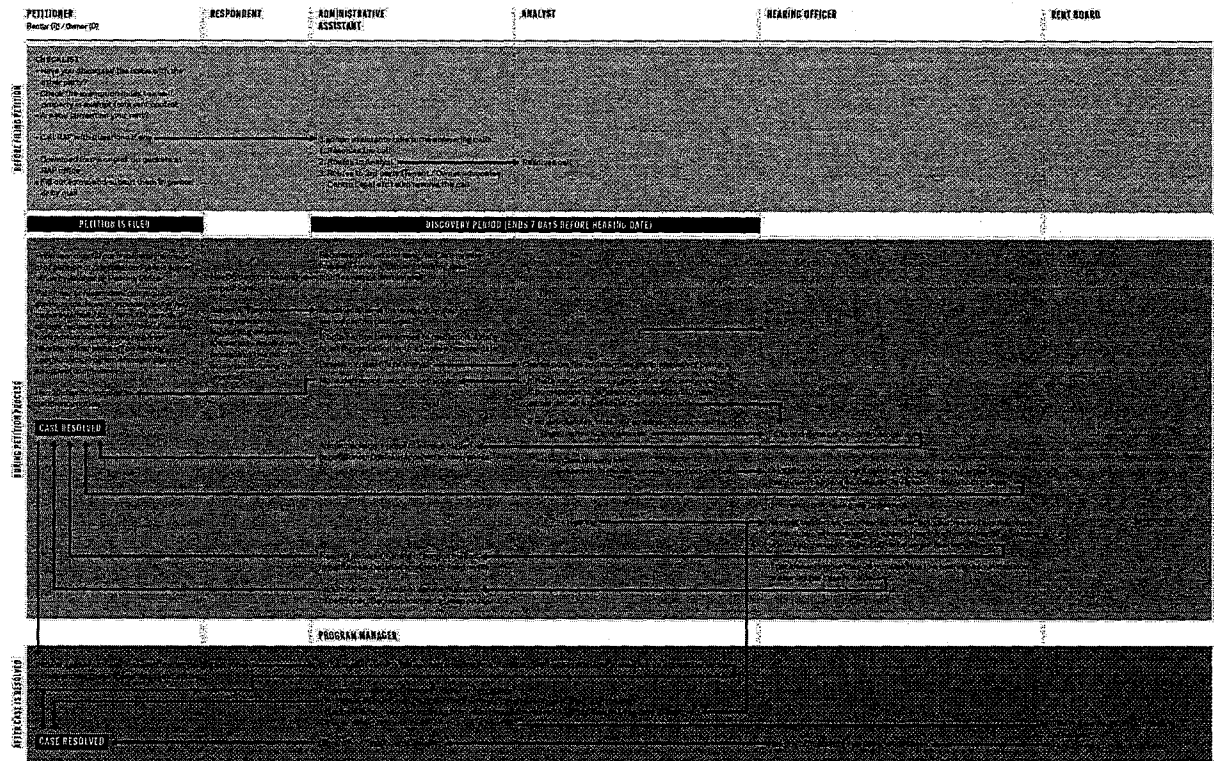
See Current Ecosystem Map in Appendix

Following our “NorthStar”, could we create a system where RAP’s role is expanded, providing information, tools and communication pathways that enable resolution before hearing and appeal?



See Proposed Ecosystem Map in Appendix

# Where might some exit-ramps be possible?



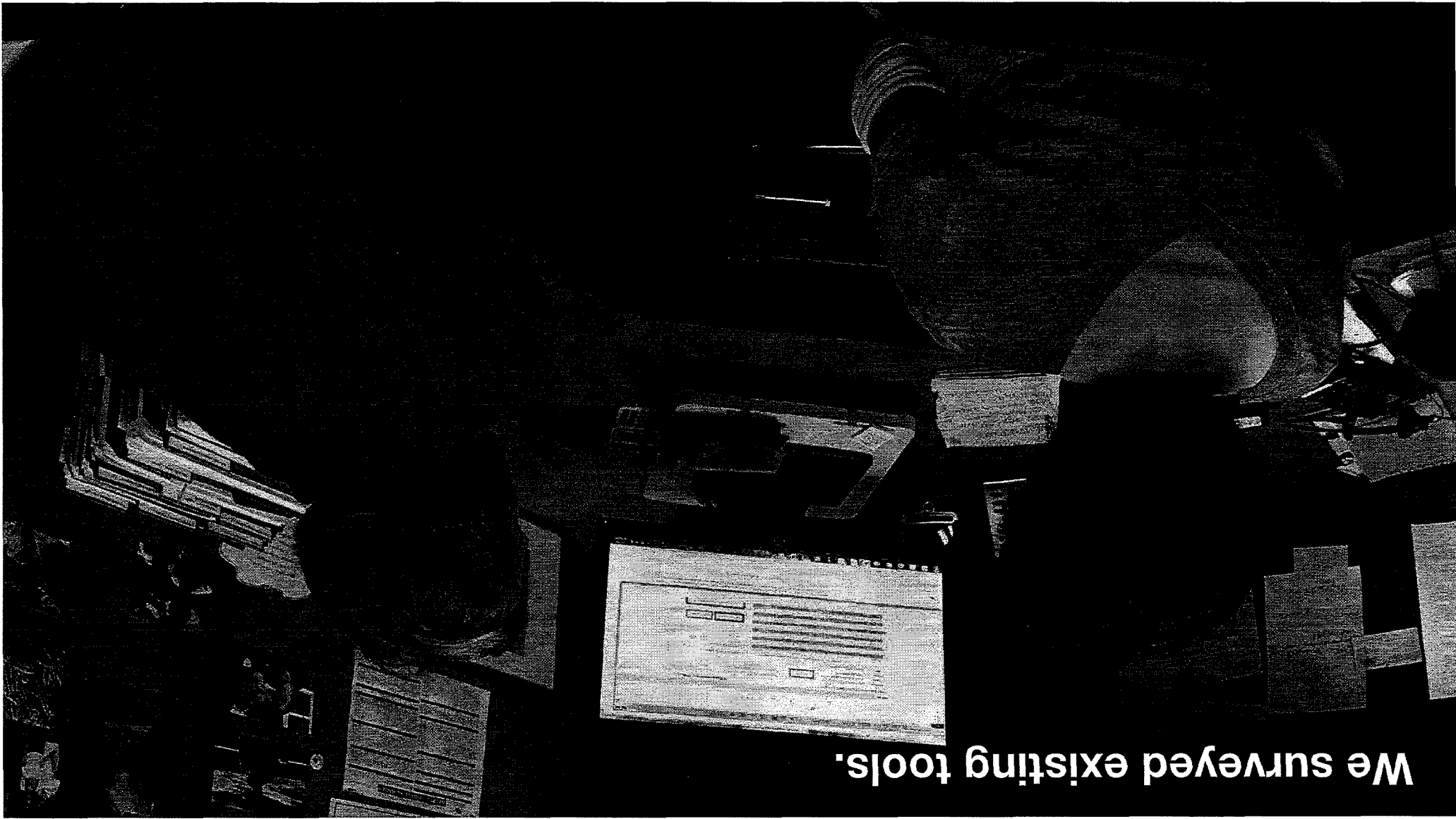
See Case Journey in Appendix.

---

# Portal Definition

tomorrow





We surveyed existing tools.

# We identified the main website needs for the public.

## I am a tenant and...

\*I want to know more about the RAP ordinance.

I need to understand how my rent increase was calculated.

\*I need to understand how to fill out a petition.

My landlord filed a petition against me, and I need to know what to do.

I need to make changes to my case file.

I want to look at similar cases to mine.

I've experienced a loss of services and/or an increase in rent and I need to know what to do.

## I am a landlord and...

\*I want to know more about the RAP ordinance.

\*I need to understand how to calculate a rent increase.

I need to understand how to fill out a petition.

\*One of my tenants filed a petition against me, and I need to know what to do.

I need to make changes to my case file.

I want to look at similar cases to mine.

I'd like to get pre-approval for a rent increase.

I'd like to get a certificate of exemption.

## I am a third-party representative and...

\*I want to know more about the RAP ordinance.

I need to file a petition on behalf of my client.

I need to make changes to a case file on behalf of my client.

\*I want to look at similar cases.

## And primary website needs for the staff.

### I am an admin and...

I need to print, send, and document proof of service.

I need to send out email reminders.

I need to update case status or information (assignees, continuation, appeal).

\*I need to upload paper petitions, petition responses, and/or supplementary materials.

### I am an analyst and...

I need to print, send, and document proof of service.

\*I need to evaluate case materials.

I need to update case status or information.

I need to upload deficiency letters and/or supplementary materials.

### I am a hearing officer and...

I need to evaluate case materials.

\*I need to upload hearing decisions.

I need to print a case file.

I need to input the outcome of a case.

---

# Paradigm Shift from Analog to Digital

tomorrow

We cannot elevate user experience without elevating business practices.

**CITY OF OAKLAND**  
**RENT ADJUSTMENT PROGRAM**  
 P.O. Box 70243  
 250 Frank H. Ogawa Plaza, Suite 5313  
 Oakland, CA 94612  
 (510) 238-3721

Please Fill Out This Form As Completely As You Can - Failure to provide needed information may result in your response being rejected or delayed.

CASE NUMBER T16-0071

**OWNER RESPONSE**

Please print legibly.

|                                       |   |                              |
|---------------------------------------|---|------------------------------|
| Your Name<br><u>Winnie Cheng</u>      | Complete Address (with zip code)<br><u>1269 Silver Lane<br/>Alameda CA 94601</u>  | Phone<br><u>510-238-3721</u> |
| Your Representative's Name (if any)   | Complete Address (with zip code)  | Email                        |
| Tenant(s) name(s)<br><u>Doek Ross</u> | Complete Address (with zip code)<br><u>2154 High Street<br/>Oakland, CA 94612</u> | Phone                        |
|                                       |   | Fax                          |
|                                       |   | Email                        |

Have you paid for your Oakland Business License? Yes  No  Number 280-2355  
 (Provide proof of payment)

Have you paid the Rent Adjustment Program Service Fee? (\$10 per unit) Yes  No   
 (Provide proof of payment)

There are 3 residential units in the subject building. I acquired the building on 02/28/00  
 Is there more than one street address on the parcel? Yes  No

**I. RENTAL HISTORY**

The tenant moved into the rental unit on 5/1/2011

The tenant's initial rent including all services provided was \$ 850 per month

Have you (or a previous Owner) given the City of Oakland a form titled NOTICE TO TENANTS OF RESIDENTIAL RENT ADJUSTMENT PROGRAM (RAP) Notice to all of the participating tenants?  
 Yes  No  I don't know  If yes, on what date was the notice first given? 4/12/11

**CITY OF OAKLAND**  
 P.O. Box 70243, Oakland, CA 94612-2043  
 Department of Housing and Community Development  
 Rent Adjustment Program



(510) 238-3721  
 FAX (510) 238-6111  
 TDD (510) 238-3321

**NOTICE OF HEARING**

File Name: McGowan, Evelyn Cheng  
 Property Address: 2154 High Street Oakland, CA 94601  
 Case Number: T16-0071

The hearing in your case will begin:

Date: Tuesday, May 31, 2016  
 Time: 10:00 a.m.  
 Place: 250 Frank H. Ogawa Plaza, Ste. #5313, Oakland, CA 94612

The hearing is public and will continue from day to day until completed.

**Order to Produce Evidence**

All proposed tangible evidence, including but not limited to documents and pictures, must be submitted to the Rent Adjustment Program not less than seven (7) days prior to the hearing. Black out all sensitive information on the document you submit like bank or credit card account numbers and Social Security numbers. Proposed evidence presented later may be excluded from consideration. The Hearing Officer can also use the official records of the City of Oakland and Alameda County Tax Assessor as evidence if provided by the parties for consideration.

**Request to Change Date**

A request for a change in the date or time of hearing ("continuance") must be made on a form provided by the Rent Adjustment Program. The party requesting the continuance must try to get an agreement for alternate dates with the opposing parties. If an agreement cannot be reached, check the appropriate box on the Request. A change will be granted only for good cause. A second request for a change of date will be granted only for exceptional circumstances.

**Hearing Record**

The Rent Adjustment Program makes an audio recording of the hearing. Either party may bring a court reporter to record the proceedings at their own expense.

**Representatives**

Any party to a hearing may designate a representative in writing or on the record at the

2017, Department of H.V. Cheng

1

## More training

Initial **database training** to help get staff familiar with digital systems before processing real cases.

Targeted **website content management** workflows and training for the people within RAP that will be responsible for the informational website content.

**Language standardization** and training about what RAP is to help everyone disseminate a consistent message to the public.

Consider starting **phone-call feedback training** to study and improve calls.

Outreach in the form of **workshops** that help train and inform the public about RAP and its services.

**tomorrow**

2

## New equipment

Transitioning from a mostly paper-based system to a predominantly digital system will require strong considerations about what new equipment might serve the staff best:

- **Multi-page scanners** to input paper petitions or documentation
- **Laptops** or tablets for hearing officers to bring case files into hearings or mediations
- **Projectors** to show case documentation in hearings
- **Fax-to-email** systems to receive incoming faxes, time-stamp them, and upload them to the database.

3

## Distributed duties

An online and digital system will change current tasks and redistribute time for some roles.

### Analysts

- Fewer deficiency letters
- No need to scan and upload hearing decisions
- Increased need to review and redact information

### Admins

- Fewer in-person reviews and less photocopying
- No need to send out certified mail for anyone who opted into email notifications
- No need to assign case numbers, etc.
- Increased need to scan and upload paper petitions

4

## More empathy

Emphasizing open communication, conflict-resolution, and mediation has several positive outcomes.

- Fewer petitions filed
- More petitions withdrawn
- More mediations
- Fewer hearing decisions to write
- Less paperwork to process hearings, follow-up notices, and potential appeals

5

## Accessible content

Phones are the greatest time-sink for admins and analysts alike. The information provided on the website will be clear, consistent, and up-to-date, and will allow for more autonomy.

- Fewer calls asking for basic information or a copy of the petition packet
- Fewer calls transferred to nonprofit organizations
- More tenants and landlords, especially non-English speakers, connecting directly with advocates
- Increased calls regarding complicated cases

6

## Increased outreach

The amended ordinance combined with the digital portal is the beginning of a new era that will require proactive outreach in multiple forms.

- Increased landlord workshops, outreach, and downloadable materials
- Increased tenant education and outreach
- Increased partnership with nonprofit organizations and advocates for more education (ex. Workshops, fliers, community meetings, etc.)

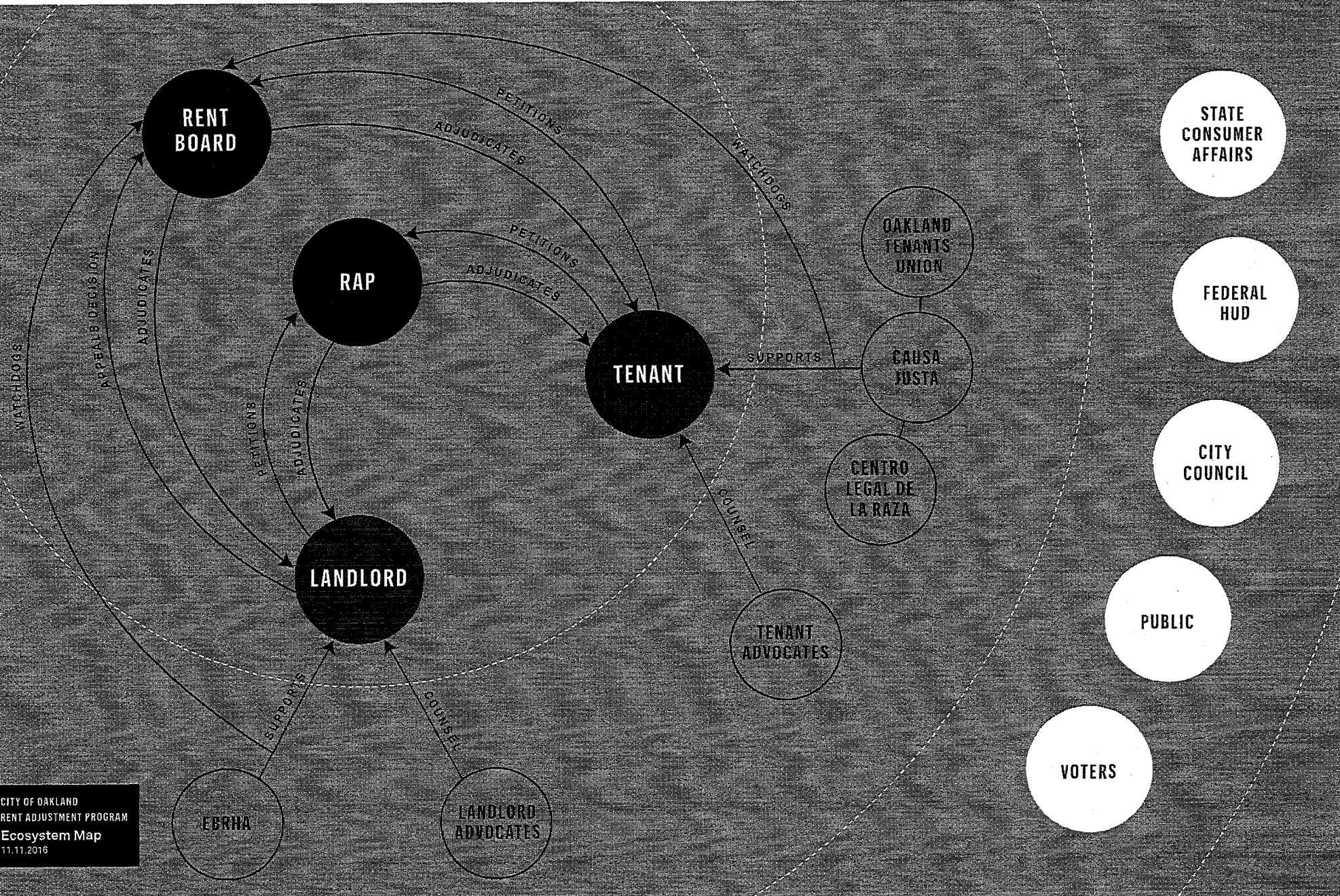


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# Appendix

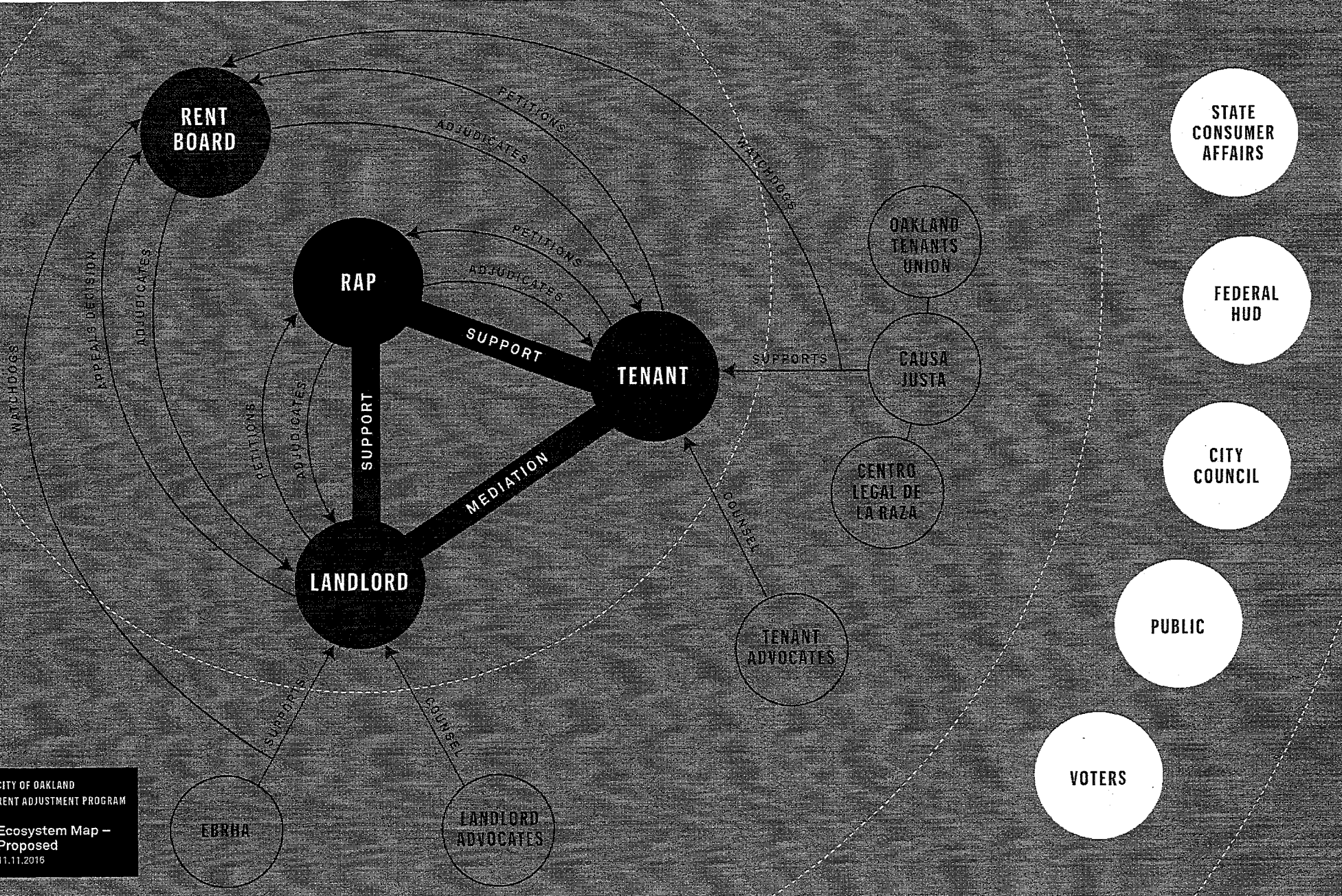
tomorrow

CITY OF OAKLAND  
RENT ADJUSTMENT PROGRAM  
Ecosystem Map  
11.11.2016





CITY OF OAKLAND  
 RENT ADJUSTMENT PROGRAM  
 Ecosystem Map – Proposed  
 11.11.2016





**PETITIONER** (Renter (R) / Owner (O))      **RESPONDENT**      **ADMINISTRATIVE ASSISTANT**      **ANALYST**      **HEARING OFFICER**      **RENT BOARD**

BEFORE FILING PETITION

- CHECKLIST**
- Have you discussed the issue with the other party?
  - Check the exemption index to see if property is exempt from rent control.
  - Are you current on your rent?
- Call RAP with questions if any
- Download forms or pick up packets at RAP office
- Fill out forms and submit them in person or by mail

- 3 admin assistants take turns answering calls
1. Resolves the call
  2. Routes to Analyst
  3. Routes to 3rd party (Tenant / Owner advocates, Contra Legal, etc.) who resolve the call

**CITY OF OAKLAND  
RENT ADJUSTMENT PROGRAM  
Case Journey  
11.11.2016**

**PETITION IS FILED**

**DISCOVERY PERIOD (ENDS 7 DAYS BEFORE HEARING DATE)**

DURING PETITION PROCESS

Petitioner may not be a qualified claimant or a person who is a tenant if it is shown that the claimant is a tenant of the property.

Hearing officer may require petitioner to provide proof of the cause of the rent increase in person if change of rent is within 7 days of hearing.

Both parties attend the hearing. Hearing officer presides and makes a decision. Program Manager may be present for assistance.

Has 10 days to submit to decision notice.

Respondent may file a response form (Owner may be charged increase of this amount during the process)

Submits all relevant documents to hearing officer

Receives petition and assigns case number. Analysts prepare notice of hearing date and file with respondent by mail.

Sends additional materials if necessary to respondent & petitioner.

If both parties have agreed in writing at all stages of mediation with backing hearing date, parties are eligible to analyze.

Have mediation services available.

Check case file to determine completeness of petition.

If not complete, requestor sends notes if no response to deficiency notice within 10 days, hearing decision to determine the case is made.

Analyst reviews case file and makes a decision on the merits. Analyst writes administrative decision.

Analyst sends decision to hearing officer.

Analyst sends decision to respondent.

Analyst sends decision to petitioner.

Edits and signs off on administrative decision.

Mediation is conducted with hearing officer if a settlement is reached. Resolution happens on the spot, if agreed upon by both parties.

Hearing is conducted with hearing officer, both parties and one member of the public advisory board attend. Hearing officer makes a decision on the merits of the case and issues a decision.

Parties have 10 days to submit to decision notice.

**CASE RESOLVED**

**CASE RESOLVED**

**PROGRAM MANAGER**

Respondent may file a response form (Owner may be charged increase of this amount during the process)

Submits all relevant documents to hearing officer

Receives petition and assigns case number. Analysts prepare notice of hearing date and file with respondent by mail.

Sends additional materials if necessary to respondent & petitioner.

If both parties have agreed in writing at all stages of mediation with backing hearing date, parties are eligible to analyze.

Have mediation services available.

Check case file to determine completeness of petition.

If not complete, requestor sends notes if no response to deficiency notice within 10 days, hearing decision to determine the case is made.

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Parties have 10 days to submit to decision notice.

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# Thank you!

Prepared by Tomorrow Partners  
[hello@tomorrowpartners.com](mailto:hello@tomorrowpartners.com)

tomorrow

# Rent Adjustment Program Report

February 3, 2016

Niranjan Krishnamurthi and Helen Lerums

|                          |    |
|--------------------------|----|
| Overview                 | 1  |
| Methodology              | 1  |
| Findings                 | 2  |
| Immediate Considerations | 5  |
| Future Considerations    | 7  |
| Conclusion               | 11 |

## Overview

This report summarizes the results of the usability tests conducted by the Civic User Testing Group (CUTgroup) for the City of Oakland's new Rent Adjustment Program online application forms.

The City of Oakland commissioned a 3rd party software developer to change the way users interact with the Rent Adjustment Program. The existing Rent Adjustment Program site is static in nature, providing users with information and links to downloadable PDF forms to be filled. With the redesign, the RAP will allow its users to create accounts, file forms online and also view the status of filings that they have made or have been made against them.

Users were easily able to complete the tasks and described the process as "easy" and were mostly pleased with the overall experience.

## Methodology

We conducted a total of five usability tests with Oakland citizens. The testers were recruited using the CUTgroup mailing list of citizens interested in participating in civic tech tests.

Each tester was tasked to complete one of the different forms either creating a new login or logging into a pre-existing account and completing one of the five forms: tenant petition, tenant response, property owner petition, property owner response, or appeal.

## Findings

Findings in this section are broken into the following categories:

- Immediate bug fixes: findings that should be addressed immediately
- Future concerns: Language, Interaction, and Other concerns

In general we observed:

1. Users completed all tasks presented to them and felt the forms were fast, thorough, and straightforward.
2. Users used the left-hand rail to navigate the form sections.
3. Users felt there was an appropriate amount of information and content on the pages

## Immediate Considerations

### Bug Fixes

The following are bugs that should be considered for immediate attention:

1. Broken scrolling: most form sections, such as “Applicant Information,” are long and require the user to scroll down to complete the form. When users clicked “Save and Continue,” the scroll position is saved and the user is typically brought to the middle or bottom of the next page/section resulting in several users not completing the top of the new section. Our recommendation is to scroll users back to the top of the page once the “Save and Continue” button is pressed and user is brought to a new section.

### 2. Error messages

- a. Users were not immediately rerouted to the error message and had trouble identifying the errors in long sections that required them to scroll. When an error occurred after clicking on the “Save and continue” button, users would see a “Processing” message and the page scroll would remain as if nothing happened. On other occasions, no “Processing” message is shown and no indication is given that the click was registered. Only after scrolling to the top of the page would they notice the message identifying the problems and/or field errors. Our recommendation is to scroll the user up to the top of the page to immediately identify the error preventing them from moving on to the next step.
- b. Currently, errors messages are not displayed consistently. The following three instances occurred:
  - i. Only an error message appears at the top with empty links

- ii. An error message at the top with empty links and a red outline/callout on the specific field is displayed.
  - iii. The interaction is complete. For example, on the "Verification" section, clicking on the "Submit" button without entering a PIN causes the page to scroll up to the error message where the user sees the error message and the related field in error is called out in red. Clicking on the error message itself causes the cursor to jump to that particular field.
3. Adding symbols causing errors: users were unsure of how to enter information in fields potentially containing symbol. This was most frequently noticed in fields with dollar amounts. In most cases, users entered the "\$" symbol and the system was unable to compute the total rent increase and produced a "null" error in the summary. Similar questions came up for fields that required phone numbers (-) or when entering numbers above three digits (example: 1,000).

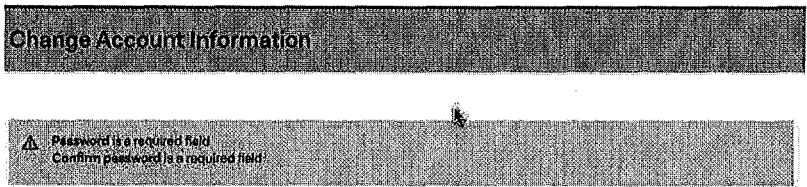
Monthly rent increase

From  To

Date increase effective

Select month ▼ Select day ▼ Select year ▼

4. Updating account information: users attempting to update their account information under "Change account information" are currently also asked to create and confirm a new password after making their edits. This is not an expected interaction, especially considering that there is also a separate "Change password" section. Our recommendation is to remove these fields. If this is a security concern, then the user should be asked to re-enter their current password to update their account information.



5. Attaching documents
- a. Inability to delete an attachment: Users who includes attachments in the "Additional Documentation" section > "Save and Continue" are unable to delete the attachment when returning to the section.



**Owner Response**

- ✓ Petition Type
- ✓ Important Information
- ✓ Applicant Information
- ✓ Rental Property
- ✓ Rent History
- ✓ Decreased Housing Service
- ✓ Exemption
- ✓ Additional Documents
- Review
- Verification

**Additional Documentation**

Please use the form below to include any additional documentation that you would like the Rent Adjustment Program to examine as part of your petition.

File name

BOH Cover Letter.pdf Download

Letter Copy.pdf Download

Letter Copy.pdf Download

Receipt

Card.png Download

Artboard 3.png Delete

Select one of the preset descriptions from the drop-down menu.

Other

b. There is inconsistent placement of uploaded attachments in each section. In the "Additional Documents" section, the attachments live above the upload tool whereas the documents attach underneath the tool in sections such as "Decreased Housing Services." Users typically expected the attachments to live below the tool causing confusion in the "Additional Documents" section. In addition, users were unsure if their upload was successful because the page maintained its scroll position and the newly uploaded attachment was not clearly called out.

File name

Screen Shot 2017-02-03 at 2:23 AM.png Download

Select one of the preset descriptions from the drop down menu

Other

If none of the above descriptions apply, please provide a description of the document you're attaching.

You are permitted to upload the following file types: PDF, Word, Excel, JPEG, TIFF and PNG. The maximum file size limit for uploads is 25MB.

Upload

Upload another file

Expected the files to be here



- c. On the final "Review" page, the attachment expand feature was broken and would not allow users to collapse or hide the information.

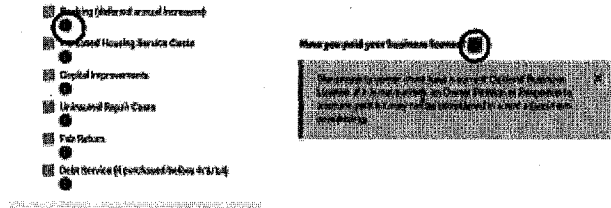
file name

Letter Copy.pdf

file name

Letter Copy.pdf  
Receipt

6. Information icon: in best practices, icons to display additional help information should be displayed to the right of the content. In some sections (as shown below) these icons appear below the content and others it appears to the right, adding visual clutter and some confusion.



## Language

1. General typos and missing punctuations: there are some general typos and missing punctuations scattered throughout the forms. One example is checkbox (l) as shown below.

- k) The proposed rent increase would exceed an overall increase of 30% in 5 years. (The 5-year period begins with notice(s) of rent increases on or after August 1, 2014).
- l) I wish to contest my unit is exempt from the Rent Adjustment Ordinance because the exemption was based on fraud or mistake (OMC 8.22, Article 1).
- m) The owner did not give me justification(s) for the rent increase(s) despite my written request.

2. Inconsistent titles: in some instances, the titles of sections in the left-hand rail navigation do not match those of the section headers. Below is an example:

- ✓ Petition Type
- ✓ Important Information
- ✓ Applicant Information
- ✓ Rental Property
- ✓ **Rent History**
- ✓ Decreased Housing Service
- ✓ Exemption
- ✓ Additional Documents
- ✓ Review
- Verification

## Rental History

---

The tenant moved into the rental unit on

Select month ▼

Select day ▼

Select year ▼

The tenant's initial monthly rent including all services provided was

Enter dollar amount

3. Confusing language and descriptions:
- a. In some cases the language needs clarification or the forms need some brief descriptions. For example, a user filling out a property owner petition wasn't sure if "Residential Address" applied to their own home address or the property.
  - b. Some field descriptions did not match expectations. For example, when asked for their method of notification preference, "Proof of service..." seemed redundant and was brought up by users.

**Your preferred way of receiving notifications**

Please select how you would like to receive official notifications about your case from the Rent Adjustment Board:

- Proof of service by mail
- Email

- c. The role of a "representative" was unclear to some users. One user mentioned that she did not understand the function of a "representative" and also felt like the word seemed very "government-like."
- d. The following double negative sentences created confusion.

Filling in form:

I was never given a RAP NOTICE by my property owner.

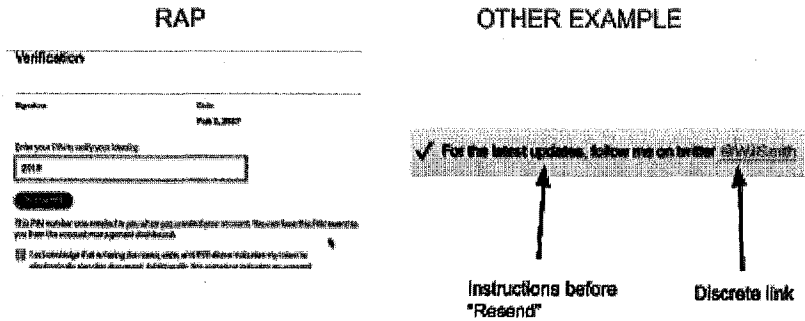
In "Review:"

I was never given a RAP NOTICE by my property owner.

false

4. Resend PIN button: All users clicked on the "Resend PIN" button but not always for the intended purpose before reading the instructions/resend information. Sometimes they would do so after entering their PIN number to apply or save it. We suggest changing the

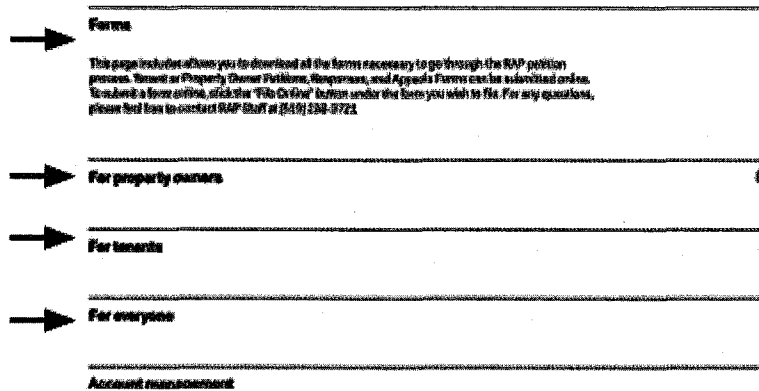
green button to a discrete link to remove the similar appearance to the progress "Save and Continue" buttons. We also suggest moving the information before the "Resend" link.



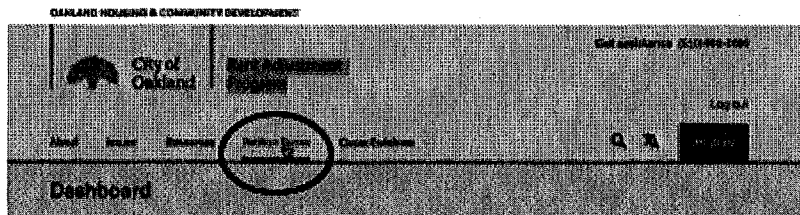
## Future Considerations

During the tests, we observed and identified other concerns as secondary issues that should be considered for future development. We have highlighted them below.

1. The organization hierarchy:
  - a. On the dashboard, users didn't initially understand that the "for property owner," for "for tenant," and "for everyone" sections were subcategories of "Forms." They appear to have the same hierarchy or level of importance.



- b. When users initially logged in to their dashboard, we asked them to describe what they saw and how they expected to use the page. Several users said they would use the "Petition Forms" navigation on top to access the forms.



- c. In some instances where users were moving backward in the application to edit content in previous sections (from the “Review” page, for example), users did not expect to see the forms empty and their information saved above. One case scrolled past the saved information and began re-entering all of her information.

**Blank Information**

Did all user information that you want to challenge. Sign with the most recent and next backwards, if you never received the USP Model you can contact all past iterations.

Did you receive a USP Model with the information?

---

Did you receive a USP Model with the information?

Date you received the notice: 8/18/2018

---

Identify your business: N/A

---

Did you receive your USP Model: 8/18/2018

---

Are you requesting this review to: Yes

with you?

\_\_\_\_\_

**Concerned with blank forms** →

Did you receive a USP Model with the review of next iteration?

Yes

No

---

Did you receive the notice:

date of receipt:  Submit your \*

---


Identify your business:

From:  To:

2. Several users conveyed their concern and lack of confidence during the tests. This came in two forms:
  - a. Account was created successfully. When users created a new account, the website directed them to the login page. Most users assumed that they had successfully created a login but weren't sure.
  - b. They included all of the necessary information to submit the form. Without any point of reference (asterisk or indication of necessary information), they felt it was unclear what information they definitely did or did not need to include to complete the petition/response forms. Users assumed they had to complete the entire form in one sitting and didn't know what they could leave incomplete to submit the form.
3. When users created a login, they didn't realize an email was sent to their inbox with a pin number to electronically sign the application.
  - a. Our concern: the email itself is not validated at any given point after a new login is created.
4. For a returning user creating a new petition/response, they did not expect the autofilled information from previous applications nor the navigation to be partially completed.

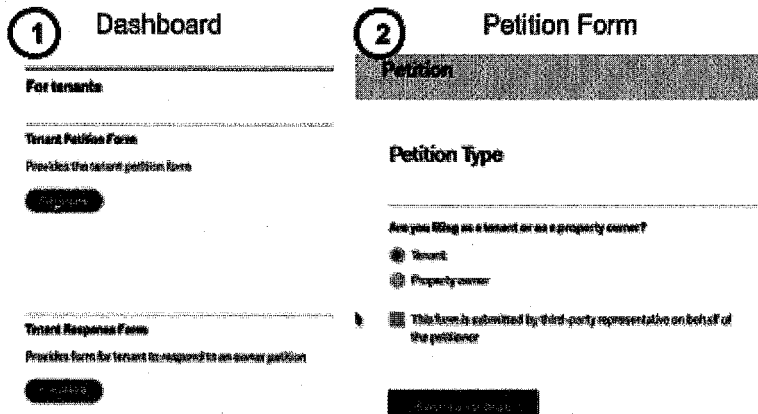
5. In several instances, users used the back button navigation to try to return to a previous section or page of the form, and returning to previous step. When this took them out of the form itself, they were a bit confused how to get back into their application. We suggest including an area for applications that are “saved” or “in progress” for users to return to.
6. Attaching documents did not match their expectation but users were able to adapt.
  - a. Several users expected to first attach the file then write a description. While they were able to figure out the intended process (first describe/categorize the file, second attach document), we feel this is counterintuitive to the normal process and feel it can be readdressed.

To understand this interaction, we broke down the experience into three steps based on other file upload examples: choose file, describe, and submit (upload). Often times this takes the form of a widget or as the image below.

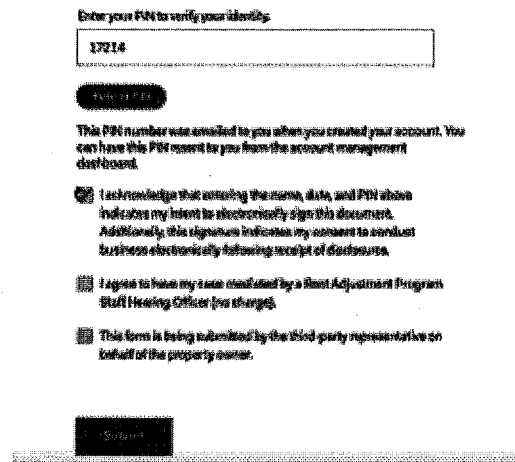
- b. Most users noticed the arrows but were not inclined to expand the attachment details to read the information. When prompted, they were more likely to look for the navigation carrot (  ) from the dashboards page.



7. Users questioned why they had to choose to complete the petition/responses as a tenant or property owner after already choosing the form under the user-specific dropdown.



8. In the final "Verification" section, it was not clear to users if it was required to enter their PIN in the mediation area if they they were not interested in mediation.



9. When expanding the user-specific Form dropdowns on their dashboard, users first clicked the "for (user)" titles followed by the carrot ">." We suggest making the "for (user)" title clickable.



## Conclusion

In conclusion, we believe that the RAP application is on the right track towards making the process a simplified one. Even without the changes suggested above, users were able to eventually complete all the tasks given to them. We believe that by implementing the above mentioned suggestions, the RAP application will be able to function as intended by the City of Oakland. We at the CUTgroup also recommend conducting further research into the application once it has been launched. An assessment survey can be deployed to users who might then be brought in for one on one in-depth interviews to see how the application can be improved in the future.



# **ATTACHMENT E**

## **OUTREACH FISCAL YEAR 2016-17**

- **August 20, 2016, Art and Soul: Susan Ma shared table with the Mayor's office and distributed approximately 500 RAP brochures and answered questions.**
- **August 21, 2016, Art and Soul: Barbara Kong Brown shared table with City Administrator's Office and distributed approximately 500 RAP brochures and answered questions. Approximately 40,000 attended the two day festival.**
- **August 27, 2016, Chinatown Street Festival: Barbara Kong Brown and Linda Moroz distributed approximately 1000 RAP brochures and answered questions.**
- **August 28, 2016, Chinatown Street Festival: Barbara Kong Brown and Linda Moroz distributed approximately 1000 RAP brochures and answered questions (approximately 50,000 to 75,000 attended the two day festival).**
- **September 28, 2016, EBRHA 2016 Expo: Barbara Kong Brown and Roberto Costa distributed RAP brochures, informational material on changes in Ordinance, and answered questions. (300-400 property owners attend the annual expo.)**
- **September 29, 2016: Susan Ma and Barbara Kong Brown distributed approximately 50 brochures and answered questions at the Family Resource Center sponsored by Futures and Community United Education Elementary School.**
- **November 10, 2016: RAP Staff answered questions on a panel of the Asian Real Estate Association of America Housing Forum. (Approximately 30 members attended the forum.)**
- **November 30, 2016: RAP manager discussed Ordinance changes at Owner event sponsored by the Law Offices of Fried and Williams. (Approximately 30 property owners attended.)**
- **March 10, 2017: Completed a direct mailing (using Business Tax Database) of approximately 40,000 notices to landlord and tenants of the recent changes to the Rent Ordinance and Regulations.**

- **March 30, 2017: RAP Staff conducted an informational workshop on recent changes to Rent Ordinance and Regulations for nonprofit, private organizations, and Property Management Companies that advice Oakland residential property owners and tenants. (Approximately 60 attended.)**
- **April 18, 2017: RAP staff attended Women's Auxiliary luncheon to discuss recent changes to Oakland's Rent and Eviction Control Ordinances (approximately 30 property owners attended).**