



CITY OF OAKLAND

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OAKLAND

# AGENDA REPORT

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

**FROM:** Michele Byrd  
Director

**SUBJECT:** Amendment to Low-Income  
Client Representation Contract

**DATE:** September 21, 2015

City Administrator Approval

Date:

9/30/15

## RECOMMENDATION

**STAFF RECOMMENDS THAT THE CITY COUNCIL ADOPT (1) AN AMENDMENT TO THE CONTRACT WITH CENTRO LEGAL DE LA RAZA INCREASING PAYMENT TO CLR TO PROVIDE LEGAL SERVICES TO LOW INCOME TENANTS FROM \$90,000 TO \$165,000 PER YEAR; AND (2) A TWO-YEAR CONTRACT FOR UP TO \$35,000 PER YEAR WITH A CONTRACTOR TO BE SELECTED BY THE CITY ADMINISTRATOR TO PROVIDE INFORMATIONAL WORKSHOPS FOR SMALL LANDLORDS**

## EXECUTIVE SUMMARY

The low-income client representation program provides legal services to low-income tenants and landlords who require help with the Rent Adjustment Program process. The City entered into the most recent contract with Centro Legal de la Raza (CLR) on July 1, 2013 pursuant to Resolution No. 84706. The subcontractors providing landlord services as part of the contract no longer wanted to participate.

CLR conducts on site clinics at the Housing Assistance Center each Monday. The clinics have been an overwhelming success and need to be expanded to three days per week due to the rapid rise in rents in Oakland and the record number of tenants who need assistance with issues under the Rent Ordinance and the Tenant Protection Ordinance.

An RFQ will be issued to provide informational workshops to small landlords.

## BACKGROUND / LEGISLATIVE HISTORY

Pursuant to City Council Resolution No. 76930 C.M.S., the City of Oakland Rent Adjustment Program entered into a contract with the East Bay Community Law Center to operate a trial Low Income Client Representation Program ("the Program") for one year. The purpose of the Program was to assist low-income clients of the Rent Adjustment Program (RAP) present their

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cases at RAP hearings and before the Rent Board, provide advocacy services to help resolve disputes between tenants and landlords, and to secure their rights under Oakland's Ordinances that impact the landlord-tenant relationship; and, to help maintain the neutrality of the RAP.

Based on favorable results of the first year, the contract was renewed for fiscal year (FY) 2007-2008 and again from 2008 through 2013. The current contract became effective July 1, 2013 pursuant to Resolution No. 84706 C.M.S.

### ***Landlord Participation***

The intent of the Program was to offer low-income landlords the same services offered to low-income tenants. From the inception of Program, the Alameda County Bar Association was subcontracted to provide services to low-income landlords. However, the Bar Association withdrew their participation before the new contract was executed, citing the historical lack of participation by landlords.

Landlords have given the following reasons to RAP staff for not participating in the Program:

- They are members of the East Bay Rental Housing Association and receive assistance through workshops
- They want to know the legal process for evicting tenants
- They have their own representative
- They are not low-income

### ***2013 RFQ***

In December 2013, a Request for Qualifications (RFQ) was issued to identify qualified candidates with knowledge and experience in Oakland's Rent laws to provide consultation and representation to low-income landlords. Two Agencies participated in the pre-proposal conference (the East Bay Rental Housing Association and the Unity Council); however, no proposals were submitted. Although no contract has been in place for low-income landlords since July 1, 2013, Rent Adjustment staff continues to make appointments with landlords to answer questions and explain the Ordinance. Landlords are referred to the following agencies:

- The Alameda County Bar Association, where a half-hour consultation is \$35.00. For landlords 60 and over, the consultation is free.
- The Self-Help and Family Law Services at the Rene C. Davidson Courthouse, which offers workshops and information and assistance for low-income landlords for eviction, mediation, civil harassment, and small claims.

### ***Tenant Services: RAP Clinics***

In March 2014, CLR began staffing a clinic at the Housing Assistance Center each Monday from 2:00 to 4:30 P.M. Since the inception of the clinic, it has been an overwhelming success<sup>1</sup>. The clinics begin at 2:00 P.M.; however, tenants sign in and wait as early as 8:30 A.M. The clinic

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<sup>1</sup> Complete statistics on the Clinics will be presented in the RAP Annual Report

can only handle five-seven clients in two and a half hours, and tenants are routinely asked to return to the next Monday clinic. With current staffing, CLR can only assist 20-25 tenants per month.

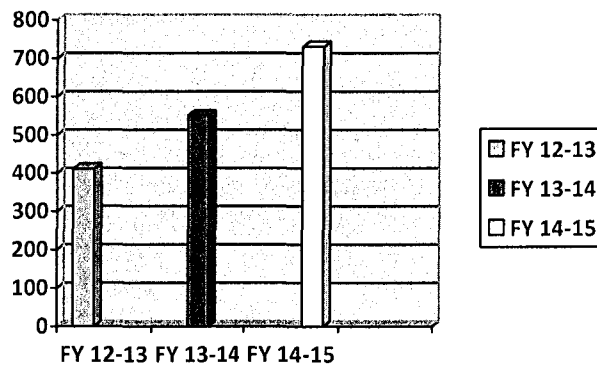
**ANALYSIS AND POLICY ALTERNATIVES**

According to San Francisco Business Times, between January 1, 2014 and January 1, 2015, rents in Oakland have soared 12.1 percent, topping San Francisco's price hikes. Oakland came in second in the nation only to Denver<sup>2</sup>. More recent reports suggest that rents in Oakland continue to rise. The San Francisco Chronicle reported that according to Zumper's National Rent Report for August, 2015, rents surged to 20 percent in Oakland this past year, more than any other major city studied for the report.<sup>3</sup>

Staff believes that the tremendous hike in rents has been a factor in the filing of over 700 petitions during FY 14-15. In the history of the RAP, this number of petitions is unprecedented<sup>4</sup>. In record numbers, tenants are asking for help with rent increases and habitability issues. Staff believes that there is a significant need for assistance based on the number of petitions that the RAP is receiving. Shown in chart 1 below is the increase in petitions since FY 12-13.

Chart 1

**Trends in Petitions and Applications filed**



The Monday clinics conducted by CLR have been successful, but need to be expanded. Additional funding will enable CLR to expand their clinic hours and assist a greater number of tenants with RAP issues and claims of harassment.

After an analysis of what may be needed to assist more tenants, staff requested that CLR submit a proposal to increase funding to: 1) conduct the clinic three times per week; and 2) offer

<sup>2</sup> San Francisco Business Times February 11, 2015

<sup>3</sup> San Francisco Chronicle, August 11, 2015

<sup>4</sup> The previous record for most petitions filed was 610 during FY 2000-2001

advice and counsel to tenants with harassment claims. CLR submitted the following proposed changes to the Scope of Services:

- Presence at the Housing Assistance Center - A total of three days per week. The days will be divided into morning sessions from 10:00 a.m.-12:00 p.m. and afternoon sessions from 2:00-4:30 p.m. The morning sessions will be used for the Centro Legal de la Raza to provide follow-up assistance to individuals first seen at the Housing Assistance Center afternoon walk-in clinics. This could be subject to change if after testing out the setup it is determined that the community would be better served with a different setup.
- Limited Scope Services - 600 individuals to be served. This will include services that address issues related to Rent Adjustment Ordinance and the Tenant Protection Ordinance, such as advice and counsel, writing letters, or making phone calls.
- Legal Representation - 50 individuals to be served in the context of the Rent Adjustment Ordinance, such as representation at RAP Hearings or Appeal Hearings.
- RAP Petitions Prepared - 50 individuals to be served.
- Pro Per Smalls Claims Assistance (including assistance with the Tenant Protection Ordinance) - 10 individuals to be served.
- Assessment - 800 individuals for eligibility assessment
- Outreach - 10,000 individuals to be provided information about RAP
- Funding – An Additional \$75,000 would be needed for operating costs and another staff attorney to reach the goals set forth in the new scope. (**See Budget Attachment A.**)

### ***Tenant Protection Ordinance***

Assisting tenants with claims of harassment pursuant to the Tenant Protection Ordinance (TPO) would be limited to Oakland tenants living in units covered under the Rent Ordinance and/or the Just Cause for Eviction Ordinance.

Pursuant to the TPO, tenants can take their claims of harassment to civil court. However, for tenants living in units covered under the Rent Ordinance, there may be additional remedies. In addition to advising tenants on how to proceed with a civil claim of harassment, CLR will track tenant claims of harassment to determine if there is an appropriate Rent Adjustment and/or Building Inspection solution to their problems as well. For example:

- A tenant claims that he or she is being harassed because the Owner is not following an Order in a Hear Decision, pursuant to the Rent Ordinance. A complaint can be filed with the RAP, and a notice of Intent to Issue a Citation can be sent to the Owner.

- A tenant is claiming harassment because he or she has not had heat for several months, a petition can be filed with the RAP so that the rent can be adjusted, and the tenant can request an inspection and their landlord could be cited for code violations.

In the above examples, taking the matter to civil court may not be the best or only solution for tenants living in covered units. However, in the proposed amendments to the contract, CLR would counsel and assist tenants who have claims of harassment that should be taken to civil court. In addition, egregious cases of tenant harassment can be pursued in conjunction with the City Attorney's Office. Whatever the outcome, the services will be tracked as part of the monthly monitoring report.

### ***Alternative Criterion for Landlord Eligibility***

Based on past marginal participation by landlords in the Program, offering informational workshops may be the more effective way to reach Oakland's small property owners. Staff believes that property owners want answers to their questions regarding application of the Rent Ordinance to their particular circumstances and that workshops presented by a qualified agency could at least partly address this need.

An alternative to screening landlords by Housing and Urban Development (HUD) income guidelines would be to offer services to small landlords, i.e., "mom and pop" property owners. Staff would prepare another RFQ that would seek a contractor who can provide informational workshops on the Rent Ordinance, which would include Rent Adjustment responsibilities under the Just Cause and Ellis Act Ordinances. Landlords would also receive information regarding their obligations under the Tenant Protection Ordinance. The RFQ would propose that landlords who own 5 covered units or less would qualify. The allocation for the contract would be up to \$35,000 per year.

If there is no response to the RFQ, the RAP will continue to work with landlords and refer them to the appropriate agencies for assistance.

### **FISCAL IMPACT**

The funds for this contract are available in the Rent Adjustment Program (Fund 2413, Project P190020, Org. 89969, and Account 5291). These funds are restricted to use by the Rent Adjustment Program by Ordinance number No. 12517 C.M.S.

### **PUBLIC OUTREACH / INTEREST**

This report did not require any additional public outreach further than the required posting on the City's website.

**COORDINATION**

This report was coordinated with the Housing Assistance Center, the City Attorney’s Office, and the Controller’s Bureau.

**PAST PERFORMANCE**

The current contract has been in effect for two years and provides \$90,000 for services to low income tenants. The following are the goals of the current contract:

- Perform outreach to 10,000 tenants
- Screen 800 tenants for eligibility of RAP issues
- Provide limited scope services to 400 tenants regarding RAP issues
- Provide extensive services to 60 tenants
- Accept 50 cases for legal representation
- Make 25 appearances before RAP and/Rent Board

Performance for the past two years is shown in tables 1 and 2 below.

Table 1  
**Performance Outcome for CLR during FY 2013-2014**

	Limited Services	Extensive Services	Assessment for Eligibility	Legal Representation	Appearances at Hearings/Appeals	Outreach
Goal	400	60	800	50	25	10,000
Clients Served	454	80	887	56	30	20,394

Table 2  
**Performance Outcome for CLR during FY 2014-2015**

	Limited Services	Extensive Services	Assessment for Eligibility	Legal Representation	Appearances at Hearings/Appeals	Outreach
Goal	400	60	800	50	25	10,000
Clients Served	470	95	848	54	56	15,427

As shown in the tables, CLR exceeded all of the contract goals.

## **SUSTAINABLE OPPORTUNITIES**

### ***Economic:***

- Preserve the affordable housing inventory for families, seniors, and disabled people in the City of Oakland;
- 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 rental housing;
- Assist low and moderate income families to save money to become homeowners.

## **ACTION REQUESTED OF THE CITY COUNCIL**

Based on the performance of the contract over the past two fiscal years and the extraordinary number of Oakland tenants who are seeking assistance, it is recommended that the City Council approve the attached Resolution to amend the contract with Centro Legal de la Raza increasing the payment from \$90,000 to \$165,000 per year; and 2) approve a two-year contract for up to \$35,000 per year with a contractor to be selected by the City Administrator to provide informational workshops for small landlords to be effective as soon as an agreement can be reached between the City and qualified contractor without returning to Council.

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 (A): CLR Budget

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City-wide Rent Adjustment Program (RAP) Budget	SUPPLEMENTAL FUNDS-SOURCE & USE	FY14-15
<b>SALARIES, PAYROLL TAXES AND FRINGE BENEFITS</b>		
<b>Salaries[1]</b>		
Executive Director, Centro Legal	37.98/hr x 2hrs/wk x 52 wks	3,949.92
Housing Program Director, Centro Legal	\$27.88/hr x 20 hrs/wk x 52 wks	28,995.20
Staff Attorney Centro Legal	\$22.78/hr x 20 hrs/wk x 52 wks	23,690.00
Staff Attorney Centro Legal	\$24.04/hr x 40 hrs/wk x 52 wks	50,003.20
Development Coordinator, Centro Legal	\$23.08/hr x 8 hrs/wk x 52 wks	9,600.00
Intake Specialist, Centro Legal	\$14.5/hr x 4hrs/wk x 52 wks	3,016.00
Finance and Operations Assistant	\$20.19/hr x 4 hrs/wk x 52 wks	4,200.00
<b>Fringe Benefits</b>	20% of Salaries	24,690.86
<b>TOTAL SALARIES AND TAXES/BENEFITS</b>		<b>148,145.18</b>
<b>OPERATING COSTS [2]</b>		
Rent		10,000.00
Telephone		1,352.00
Equipment Lease		1,944.83
Travel		2,557.99
Network & Computer Support		1,000.00
<b>TOTAL OPERATING COSTS</b>		<b>16,854.82</b>
<b>SUB-SUBGRANTEE SERVICES</b>		
<b>TOTAL SUB-SUBGRANTEE SERVICES</b>		<b>0.00</b>
<b>TRAINEE STIPENDS</b>		
<b>TOTAL TRAINEE STIPENDS</b>		<b>0.00</b>
<b>INDIRECT COSTS [3]</b>		
<b>TOTAL INDIRECT COSTS</b>		<b>0.00</b>
<b>TOTAL EXPENSES</b>		<b>165,000.00</b>

[1] It is recommended that salaries be the primary budget line item as the documentation to be maintained and submitted with requisitions is more manageable.

[2] It is recommended that the number of line items in Operating Costs be limited to minimize the documentation that has to be maintained and submitted with requisitions.

[3] Subgrantees who intend to include Indirect Costs as a line item must submit for City files a detailed cost allocation plan that lists the costs to be charged, the total annual allocation for each line item, the amount charged to other grants or agreements, and the percentage to be charged to the CDBG agreement. See Item 5, page 3 of Attachment E-4 for definition of Indirect Costs.

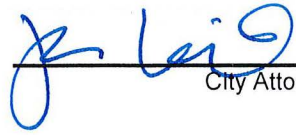
## ATTACHMENT A



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OAKLAND CITY COUNCIL

Approved as to Form and Legality

  
City Attorney

**RESOLUTION No. \_\_\_\_\_ C.M.S.**

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**RESOLUTION AUTHORIZING: (1) A TWO-YEAR CONTRACT FOR \$165,000 PER YEAR, WITH THE OPTION FOR THREE ONE-YEAR EXTENSIONS, WITH CENTRO LEGAL DE LA RAZA TO PROVIDE LEGAL SERVICES TO LOW INCOME TENANTS; AND (2) A TWO-YEAR CONTRACT FOR UP TO \$35,000 PER YEAR WITH A PROVIDER TO BE SELECTED BY THE CITY ADMINISTRATOR TO PROVIDE INFORMATIONAL WORKSHOPS FOR SMALL LANDLORDS**

**WHEREAS**, the City Council passed Resolution No. 76930 C.M.S. mandating the Rent Adjustment Program operate a trial low-income Client Representation Program for one year, which program was renewed for fiscal year (“FY”) 07-08 and again from FY 2008 to FY 2013;

**WHEREAS**, the City entered into contracts in FYs 2013-2014 and 2014-2015 with Centro Legal de la Raza (“CLR”) to provide services to low-income tenants;

**WHEREAS**, for FYs 2013-2014 and 2014-2015, CLR exceeded all contract goals and added a weekly clinic at the Housing Assistance Center;

**WHEREAS**, rents in Oakland have increased 20 percent and are the fastest growing in U.S., surpassing San Francisco;

**WHEREAS**, an unprecedented increase in petitions and need for assistance led staff to request that CLR submit a proposal and budget to expand the clinic to three (3) days per week to include advice and counsel to tenants with harassment claims;

**WHEREAS**, no contract has been in place for low income landlords since July 1, 2013 although staff continues to provide assistance to landlords and to make appropriate referrals to agencies that assist landlords; and

**WHEREAS**, the City Council finds that small landlords (who own four (4) units or less) would benefit from informational workshops conducted by a qualified contractor; and

**WHEREAS**: This action is exempt from the California Environmental Quality Act (“CEQA”) under the following, each as a separate and independent basis, including but not limited to, the following: CEQA Guidelines Section 15378 (regulatory

actions), Section 15061 (b) (3) (no significant environmental impact), and Section 15183 (actions consistent with the general plan and zoning); now, therefore be it

**RESOLVED:** That the City Administrator or her designee is authorized to enter into a two-year contract (for FYs 2015-2017) to allocate \$165,000 per year, with three one-year extensions to be approved by the City Council as part of the budget process, to CLR to provide legal services to residential tenants who have incomes of 80% of median income or less, with funding to come from Rent Adjustment Fund (2413), Rent Adjustment Program (89969), Rent Arbitration Project (P190020); and be it further

**RESOLVED:** That the City Administrator or her designee is authorized to negotiate and enter into a two-year contract (for FYs 2015-2017) to allocate up to \$35,000 per year to an as yet undetermined contractor qualified to provide informational workshops to landlords with four (4) or fewer residential properties in the City of Oakland, with funding to come from Rent Adjustment Fund (2413), Rent Adjustment Program (89969), Rent Arbitration Project (P190020).

APPROVED BY THE FOLLOWING VOTE

IN COUNCIL, OAKLAND, CA, \_\_\_\_\_ 2015

**PASSED BY THE FOLLOWING VOTE:**

BROOKS, KALB, GIBSON, GUILLEN, CAMPBELL, KAPLAN, REID, GALLO, AND PRESIDENT GIBSON

NOES –

ABSENT –

ABSTENTION –

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council  
Of the City of Oakland, California