



CITY OF OAKLAND

AGENDA REPORT


TO: Jestin Johnson
City Administrator

FROM: Emily Weinstein
Director
Department of Housing and
Community Development

SUBJECT: Contract Amendment for
Owner Representation at RAP
Proceedings

DATE: September 23, 2024

City Administrator Approval


Jestin Johnson (Sep 26, 2024 09:30 PDT)

Date: Sep 26, 2024

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing An Amendment To The Professional Services Agreement With The East Bay Rental Housing Association For Provision Of Representation Services To Extend The Time For Performance Of The Agreement From August 31, 2024 To March 31, 2025.

EXECUTIVE SUMMARY

The proposed resolution would authorize the City Administrator to amend the contract with East Bay Rental Housing Association (EBRHA) through March 31, 2025 to continue providing legal representation to small property owners.

As of the date of submission of this report, EBRHA has not yet completed all the deliverables under the contract and a contract fund balance of \$54,926.15 remains. One of the main reasons for EBRHA's inability to meet the contract deliverables is the limited number of small property owners who met the eligibility criteria during the initial contract term.

BACKGROUND/LEGISLATIVE HISTORY.

In May of 2022, Rent Adjustment Program (RAP) staff assessed its legal service contracts and determined that the greatest need in supporting equitable implementation of the program was to focus its resources on outreach and legal representation services to low- and moderate-income (LMI) tenants and small property owners in RAP petition proceedings and the Housing, Residential Rent and Relocation Board (HRRRB) appeal proceedings. RAP staff then initiated a

CED Committee
October 22, 2024

Request for Proposal (RFP) process for outreach and legal representation services. On November 1, 2022, the City Council (Council) adopted the Resolution No. 89483 approving a contract with Centro Legal de la Raza for outreach and legal representation services for low-income tenants in RAP proceedings.

Regarding staff's recommended contract for outreach and legal representation services for small property owners, the Community and Economic Development Committee (Committee) expressed concerns related to which property owners would benefit from this program and how the City of Oakland (City) would define small property ownership; they directed staff to bring a revised proposal for consideration. In January of 2023, the City subsequently issued a newly revised RFP seeking small property owner representation services at RAP proceedings. For purposes of the RFP, small property owners were defined as those who own a total of eight (8) or fewer residential rental dwellings units (in Oakland and elsewhere) and who have a total household income at or below 100% area median income (AMI) for Alameda County. These are the eligibility criteria. RAP staff received only one RFP response from East Bay Rental Housing Association (EBRHA). On June 20, 2023, the Council adopted Resolution No. 89790 approving a contract with EBRHA for outreach and legal representation services for small property owners at RAP petition proceedings and HRRRB appeal proceedings in the amount of \$150,000 from July 1, 2023 through August 31, 2024. EBRHA began providing services in July 2023 despite significant delays in contracting.

On June 20, 2023, Council adopted Council Resolution No. 89790¹ authorizing the City Administrator or their designee to enter into a contract with East Bay Rental Housing Association (EBRHA) for the provision of outreach and legal representation services to small property owners at Rent Adjustment Program (RAP) petition proceedings and Housing, Residential Rent and Relocation Board (HRRRB) appeal proceedings in the amount of \$150,000 from July 1, 2023, through August 31, 2024. EBRHA began providing services in July 2023 despite significant delays in contracting.

ANALYSIS AND POLICY ALTERNATIVES

Under the contract, East Bay Rental Housing Association (EBRHA) provides small property owner outreach and legal representation services in Rent Adjustment Program (RAP) petition cases and Housing, Residential Rent and Relocation Board (HRRRB) appeal proceedings. From July 1, 2023 through June 30, 2024, a total of 423 RAP rent adjustment petitions have been filed by tenants and property owners.

As of the submission of this report, EBRHA has performed the following activities under the Small Property Owner Representation Services program (SPORS).

Outreach, Promotion, & Marketing

¹ [City of Oakland - File #: 23-0338 \(legistar.com\)](#)

EBRHA provided a press release, more than 40 webinars and meetings promoting the SPORS program, and networking mixers, fundraiser events, and community and partner events. EBRHA also promoted the SPORS program via social media channels, email, SMS, and ad placement in newsletters and monthly magazines with a reach of more than 28,000 contacts through June 2024.

Services Provided

To date, EBRHA has been able to offer the following services to small property owners through the SPORS program.

Number of Property Owners	Services Provided
45	RAP general compliance support (RAP fees, rent registration, business tax, etc.)
20	RAP petition process education
16	Drafting and filing RAP petitions and RAP hearing readiness and preparation
4	RAP hearing representation
2	RAP mediation proceedings

The following charts show demographics of the property owners that EBRHA has assisted under the SPORS contract. These charts show percentages for all Oakland property owners, some of whom did not qualify under the SPORS contract but whom EBRHA assisted to get into compliance with City of Oakland requirements through other sources of funding. The Rent Adjustment Program (RAP) is in the process of improving performance and demographic data collection and data quality for its contractors.

Race/Ethnicity	Percentage
Data Not Given	79.97%
Asian	7.11%
Black	7.06%
White	4.71%
Hispanic	1.15%

Gender	Percentage
Male	36.92%
Female	51.04%
Data Not Given	12.04%

Income Level	Percentage
Below 50K	37.95%
50K-75K	18.95%
75K-100K	9.56%
100K-150K	12.19%
150K+	21.35%

Oakland Residency	Percentage
Yes	66.63%
No	33.37%

Type of Property	Percentage
Room/SFH/ 1Unit	23.13%
2 - 4 Units	54.87%
5 to 8 Unists	13.38%
9 to 19 Units	3.69%
20+	4.93%

Number of Units Owned	Percentage
1	24.99%
2-4	45.57%
5-8	19.90%
9+	11.55%

The recommended Council action will allow EBRHA to make at least 25,000 contacts through their outreach, promotion, & marketing; assist at least 110 small property owners with various compliance issues, including RAP annual service fee, rent registration, and business tax; and provide at least 25 small property owners with representation and mediation.

The proposed resolution will also help to continue to advance the City's housing, economic, and cultural security priorities by continuing to provide more equitable access to small property owners. The services being delivered through this contract benefit small property owners who face some challenges including limited knowledge of the legal system, language and technological barriers, and limited financial resources which limit their participation in the RAP adjudicative process.

Alternatives

An alternative to extending the term of contract with EBRHA to use the contract amount balance up is to issue a new request for proposals and award a new contract for these services. This alternative would result in a longer lapse of time without critical outreach and representation services for small property owners.

FISCAL IMPACT

The extension of the contract term will not have an additional impact to the total \$150,000 funds for this contract. The remaining contract funds of \$54,926.15 as of the date of submission of this report are already encumbered and are available in the Rent Adjustment Program (Fund 2413,

Project 1001110, Org. 89969, Account No. 54912). These funds are restricted to be used by the Rent Adjustment Program through Ordinance No. 12517² C.M.S.

PUBLIC OUTREACH / INTEREST

For the current contract with East Bay Rental Housing Association (EBRHA), the City released a request for proposals (RFP) on January 13, 2023, seeking to find qualified respondents to provide these services to small property owners. The RFP was advertised in three (3) local newspapers (The Oakland Tribune, The Argus, and The Daily Review) and distributed to legal aid suppliers registered with the City's iSupplier system. Also, six potential contractors were directly invited to submit a response to the RFP via iSupplier. Additionally, RAP staff hosted an informational session for interested parties on January 20, 2023. The City did not receive any other proposals then.

COORDINATION

The City Attorney's Office and the Budget Office have reviewed this report.

SUSTAINABLE OPPORTUNITIES

Economic: The extension of this contract term will help with the implementation of the Rent Adjustment Ordinance and preserve the affordable housing inventory for families, seniors, and disabled residents in the City of Oakland. The contract will help protect tenants from wrongful displacement while encouraging property owners and tenants to foster and maintain constructive relationships through access to representation at RAP hearings and Rent Adjustment Board proceedings.

Environmental: The extension of this contract term will help mitigate adverse environmental impacts resulting from existing rental housing through the resolution of petitions involving code violations and lack of maintenance, uncovering health and safety hazards in the process of its execution, in turn encouraging cohesion and vested interest of owners and tenants in established neighborhoods.

Social Equity: The extension of this contract term will help improve the landscape and climate of Oakland's neighborhoods by encouraging and protecting long-term tenancies in rental housing while also empowering small property owners and tenants to reach negotiated solutions to their disputes through representation. Access to expert advice through the recommended contract by small property owners can help to prevent and resolve disputes due to unwarranted rent increases and decreased housing services and to ensure low- and moderate-income tenants can access the decent, affordable, and healthy housing they pay for.

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https://library.municode.com/ca/oakland/codes/code_of_ordinances?nodeId=TIT8HESA_CH8.22REREA_DEV_ARTIVREPRSEFE

ACTION REQUESTED BY THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing An Amendment To The Professional Services Agreement With The East Bay Rental Housing Association For Provision Of Representation Services To Extend The Time For Performance Of The Agreement From August 31, 2024 To March 31, 2025.

For questions regarding this report, please contact the Rent Adjustment Program Manager, Victor Ramirez, at 510.238.3220.

Respectfully submitted,

Emily Weinstein

Emily Weinstein

Director, Housing & Community Development

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