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OFFICE OF THE CITY CLERK
OAKLAND

2018 JUN 14 PM 5:24

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Michele Byrd
Director

SUBJECT: Amendment to Centro Legal de la
Raza Contract

DATE: June 4, 2018

City Administrator Approval

Date:

6/14/18

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing A Second Amendment To The Contract With Centro Legal De La Raza ("CLR") Extending Term For Provision Of Legal Services To Low-Income Tenants For A Period Of No More Than Six Months And Increasing The Contract Amount To Cover The Extended Services By \$118,405 Increasing The Current Five-Year Contract To A Total Contract Amount Of \$755,905 Covering July 1, 2013 Through December 31, 2018.

EXECUTIVE SUMMARY

Centro Legal de la Raza (CLR) has been providing legal services to low-income tenants who require help with the Rent Adjustment Program (RAP) pursuant to a contract commencing July 1, 2013, and which provided for a two-year term and three one-year renewals. CLR has satisfactorily carried out the two-year term and the three one-year renewals were all exercised. The final renewal terminates on June 30, 2018.

The provision of these services has been critical in ensuring that low-income tenants can readily understand their rights under the rent adjustment and tenant protection ordinances and have access to legal counseling, advice and representation. These services have also been identified as a component of a broader anti-displacement services program as described in the City Council adopted Oakland Housing Equity Roadmap and for which Affordable Housing Trust Funds were made available pursuant to Ordinance No. 13446 C.M.S. amending Chapter 15.62 of the Oakland Municipal Code. Pursuant to an informational report presented to the CED Committee on May 22, 2018, the Housing and Community Development Department is presently working on preparing the scope of work and budget for the anti-displacement services program and will present it to the CED Committee and City Council for approval in July.

While work proceeds to define the scope and budget as well as to prepare and execute a contract to carry out this broader anti-displacement program, City Council approval of an

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extension to the existing CLR contract is needed to ensure there is no lapse in service to Oakland's low-income tenants.

BACKGROUND/LEGISLATIVE HISTORY

In October 2012, RAP staff issued a Request for Proposals (RFP) for provision of legal services for low-income tenants and landlords. Only one response was received, submitted by CLR as a prime contractor and East Bay Community Law Center (EBCLC) and the Alameda County Bar Association Volunteer Legal Services Corporation (ACBA) as subcontractors. Staff determined that the submission met the requirements as set forth in the RFP.

Before entering into a contract with CLR, ACBA removed itself as a subcontractor which left CLR without a provider of landlord services. As such, RAP staff embarked on a new process to procure services for landlords which to date has not been successful. Staff is currently preparing a new RFP solely for landlord legal services which will be issued no later than September 2018.

On November 12, 2013, the City Council approved a \$90,000 contract with CLR for two one-year terms (2013-14 and 2014-15), as well as three one-year renewals (2015-16, 2016-17, and 2017-18).

On October 20, 2015, the City Council approved an increase of the CLR contract from \$90,000 to the amount of \$165,000 and a First Amendment to Contract was executed effective January 1, 2016. This increase was to cover the cost of expanded clinic hours to assist a greater number of tenants with RAP issues, as well as those with harassment claims, pursuant to the Tenant Protection Ordinance. With this additional funding, RAP staff worked with CLR to recast its scope of services and performance goals for the current fiscal year as follows:

- Presence at the Housing Assistance Center for a total of two days per week. Hours are Mondays and Wednesdays from 9:30 am to 1:30 pm.
- Limited Scope Services - 600 individuals will be served. Services address issues related to the Rent Adjustment Ordinance and the Tenant Protection Ordinance, and include advice and counsel, writing letters, or making phone calls.
- Legal Representation - 50 individuals will be served in the context of the Rent Adjustment Ordinance, such as representation at RAP Hearings or Appeal Hearings.
- RAP Petitions Prepared - 50 individuals will be served.
- Small Claims Assistance¹ (including assistance with the Tenant Protection Ordinance) - 10 individuals will be served.
- Assessment - 800 individuals will be assessed for eligibility
- Outreach - 10,000 individuals will be provided information about RAP

Included in the above activities is the work CLR carries out to counsel and assist tenants with claims of harassment. CLR services are limited to low-income tenants with incomes of no more than 80% of area median income.

¹ Small Claims assistance is provided on a "pro per" basis, meaning they assist tenants in representing themselves.

CLR has satisfactorily carried out the two-year term and the three one-year renewals were all exercised. The final renewal terminates on June 30, 2018.

ANALYSIS AND POLICY ALTERNATIVES

Legal services for low-income clients is a long-standing activity that commenced in 2005 to ensure that tenants have the resources they need to understand and employ their rights under the rent adjustment and tenant protection ordinances, starting with a contract with EBCLC and currently with CLR. These services provide expert legal support, including representation, from a third party which maintains neutrality and is an important complement to the information and referral services that RAP staff Program Analysts provide.

Table 1 depicts CLR's performance in meeting goals.

Table 1. CLR Performance in Meeting Contract Goals for Past Two Years

Activity	Contract Goal	2016-17 Performance	Percent of Goal	2017-18 Performance (10 months)	Percent of Goal (annualized)
Outreach	10,000	22,867	229%	9,803	118%
Assessment	800	1,188	149%	13,394	2009%
Limited Scope Services	600	756	126%	560	112%
Legal Representation	50	63	126%	46	110%
RAP Petitions/Appeals Prepared	50	57	114%	84	202%
Small Claims Assistance	10	10	100%	2	24%

The performance carrying out this program during the past two years has been strong, consistent with prior years, with nearly all goals exceeded. During the past ten months, CLR has experienced a tremendous uptick in the number of individuals seeking legal assistance as indicated by the 13,394 assessments to date, reflecting activity which is over 2000% of the contract goal, and a more than 1000% increase from last year - with two months left to the program year.

Further, the increase in preparation of petitions and appeals is reflective of the increase in petitions overall, as well as successful outreach efforts to ensure the community is aware of this service. Also of note is that the activity assisting tenants with small claims is lower than usual and will likely not meet the established goal. CLR reports that while they are advising people about their options, of which small claims is one, fewer are going this route due to factors such as reluctance to go to court on their own and/or reveal personal information, among other

reasons. These are areas that staff will look closely at moving forward to ensure that the program is designed to adequately meet needs.

The need for these services continues to be critical and is growing, as indicated by the increase in assessments and the support needed to file petitions and appeals. The impact of escalating rents and skyrocketing property values continues to place tenants in an economic bind and is fueling displacement, which the City's Equity Roadmap seeks to address. One of the Roadmap components is an anti-displacement services program which the City Council authorized funding for in 2017. Staff proposes to fold this existing successful low-income tenant legal services activity into the new anti-displacement services program. This will ensure a seamless program model which takes advantage of an ongoing effort, makes it more robust, and builds other program components around it, such as emergency financial assistance for tenants, as well as a complementary set of services for low income homeowners who are owner-occupants.

Toward this end, an informational Agenda Report was presented to the CED Committee on May 22, 2018 to describe the status of anti-displacement services funding and a proposal for advancing this new program. Key elements of that report included:

- Housing and Community Development (HCD) staff engaged in discussions with the community regarding the development of an RFP to select the provider of the anti-displacement services.
- During this same time-period, Alameda County developed and issued an RFP for the provision of anti-displacement services. Alameda County completed its RFP process and selected a provider for anti-displacement services, CLR. The contract for said services was approved by the Alameda County Board of Supervisors on May 22, 2018.
- In that the proposed Alameda County services are largely in alignment with the scope of services contemplated by HCD, to maximize the provision of services to the community and have a continuum of services for Oakland residents, HCD is proposing to use the same provider the County selected through its RFP process, CLR, and thus the City would not issue a separate RFP.
- While utilizing a similar program model as the County, HCD will tailor the City anti-displacement services program to meet Oakland's specific needs.

During the proposed extension period (which is expected to be considerably less than six months), staff will be preparing the scope of services for the anti-displacement program for City Council approval, as well as preparing and executing the contract. During this time, continuing legal services to tenants requires an extension of the current CLR contract and at the point in time a new contract is in place, this contract will be terminated. **Attachment A** depicts the proposed extension period CLR scope and budget and compares it with the existing scope and budget.

Landlord Legal Services

The ability to procure services for landlords has been challenging over the years including providers backing out of initial agreements to provide services and lack of responsiveness to RFPs and RFQs. However, over the years, RAP has been able to offer workshops and provide general information and referral to landlords. Staff will continue its efforts this year to procure a third-party provider and rebuild this service program by issuing an RFP no later than September 2018. The effort will include targeted outreach to prospective interested parties, and a clear,

easy to respond to RFP document. The target audience for these services will be small landlords – owners of fifteen units or less. The scope of service components will include:

- Outreach and public information distribution
- Workshops
- Counseling and technical assistance

FISCAL IMPACT

The funds for this contract amendment are available in the Rent Adjustment Program (Fund 2413, Project 1001110, Org. 89969). These funds are restricted to use by the Rent Adjustment Program by Ordinance No. 21517 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 and proposed legislation was reviewed by the City Attorney's Office and the Budget Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: The provision of legal services related to Oakland's Rent Adjustment and Tenant Protection Ordinances will protect tenants from exorbitant rent increases while encouraging owners to invest in the housing stock of the City. Stable rents and housing stability improve low income tenants' economic well-being.

Environmental: Improving tenants' knowledge of the Rent Adjustment Ordinance can mitigate adverse environmental impacts resulting from existing rental housing and encourage cohesion and vested interest of owners and tenants in established neighborhoods.

Social Equity: The landscape and climate of Oakland's neighborhoods is improved by encouraging long-term tenancies in rental housing. Housing stability can assist low and moderate income families to save money to become homeowners.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing A Second Amendment To The Contract With Centro Legal De La Raza ("CLR") Extending The Term For Provision Of Legal Services To Low-Income Tenants For A Period Of No More Than Six Months And Increasing The Contract Amount To Cover The Extended Services By \$118,405 Increasing The Current Five-Year Contract To A Total Contract Amount Of \$755,905 Covering July 1, 2013 Through December 31, 2018.

For questions regarding this report, please contact Michele Byrd, Director of Housing and Community Development Department at (510) 238-6246.

Respectfully submitted,



Michele Byrd, Director
Housing and Community Development Department

Attachment (1):

- A- Centro Legal de la Raza- Rent Adjustment Program tenant legal services Six-month extension and scope.

Attachment A:

Centro Legal de la Raza – Rent Adjustment Program Tenant Legal Services Six Month Extension Scope and Budget

SCOPE

Scope Item	Current Annual Contract Goals	Six Month Extension Period Goals
Clinic at Housing Resource Center (HRC)	2 days/week	1 day/week
Clinic at Centro Legal Offices	2 days/month	4 days/month
Outreach	10,00 people	5,000 people
Assessment	800 people	400 people
Limited Scope Services	600 tenants	300 tenants
Legal Representation	50 tenants	25 tenants
RAP Petitions/Appeals Prepared	50	25
Pro Per Smalls Claims Assistance	10 people	5 people

Note on Scope: The key modification for the extension period is to convert the time at the HRC to a "Notice Intake Clinic" where CLR staff will provide immediate services to those who have received notices from their landlords and direct clients to immediate action(s) and/or referrals. This will be a more targeted approach, with the deeper dive consultations conducted at weekly clinics at the CLR offices where the level of infrastructure (staffing/technological/files) better serves clients than what is possible at the HRC where there are limited resources available (i.e.: private space and computer/internet access). This modification will result in the following improvements:

- The HRC clinic will enable clients to sign in between 9 – 9:30 am and be assured they will be seen (as opposed to current system where people line up at the office as early as 6 am to get one of 6 coveted slots).
- The number of clients seen at the HRC will increase by at least 100%
- Increasing CLR office clinics from two per month to four per month will improve timeliness of services

BUDGET

Budget Line Item	Current Contract	Six Month Extension Period	Notes on Differential (pro rata)
Salaries (2.15 FTE)	\$130,827.84	\$ 81,741.50	25% increase in salaries reflects actual increases that have brought salaries closer to market for non-profit legal sector
Benefits	\$ 24,857.29	\$ 18,072.00	45% increase reflects increased cost of benefits plus covering a position not previously covered
Rent & Utilities	\$ 5,499.87	\$ 5,816.00	Reflects increased use of CLR space and actual cost
General Liability Insurance	\$ 675.00	\$ 325.00	4% less
Professional Liability Insurance	\$ 940.00	\$ 492.50	5% increase
Travel	\$ 1,200.00	\$ 600.00	No differential
Network & Computer Support	\$ 1,000.00	\$ 594.00	19% increase
Overhead (10%)		\$ 10,764.00	Indirect costs (such as supplies, telecommunications, legal fees) which were not covered previously, are included in new overhead line item.
TOTAL	\$165,000.00	\$ 118,405.00	

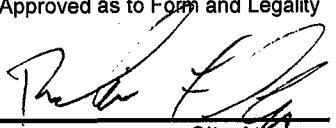
Additional Notes on Budget:

- The increased cost of salaries matches the salary scale included in the Alameda County Anti-Displacement Program budget and as noted above reflects actual salaries which have been increased over time to better align with the market to ensure ability to recruit and retain qualified staff.
- The other increases noted above, including the addition of an overhead line item, reflects the fact that CLR had been subsidizing a portion of the services provided to Oakland and no longer has access to the resources that previously enabled them to do this. If continued, it would threaten the long-term sustainability of the organization and the quality of the services being provided.

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Approved as to Form and Legality


City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING A SECOND AMENDMENT TO THE CONTRACT WITH CENTRO LEGAL DE LA RAZA ("CLR") EXTENDING TERM FOR PROVISION OF LEGAL SERVICES TO LOW INCOME TENANTS FOR A PERIOD OF NO MORE THAN SIX MONTHS AND INCREASING THE CONTRACT AMOUNT TO COVER THE EXTENDED SERVICES BY \$118,405 INCREASING THE CURRENT FIVE-YEAR CONTRACT TO A TOTAL CONTRACT AMOUNT OF \$755,905 COVERING JULY 1, 2013 THROUGH DECEMBER 31, 2018.

WHEREAS, the City Council entered into a two-year contract for FY 2013 – 2015, with the option of three one-year extensions, for CLR to provide services to low-income tenants;

WHEREAS, CLR exceeded all contract goals during its first two years of service and continued to do so, and based on strong performance the three one-year extensions were exercised;

WHEREAS, the City entered into a First Amendment to said contract on January 1, 2016 to add new services to their scope to better serve low-income tenants and to increase the payment for these added legal services;

WHEREAS, rents in Oakland have been experiencing unprecedented increases and property values continue to escalate, and tenants face serious affordability challenges and the prospect of displacement;

WHEREAS, in response to these pressures, the need for counseling, advice and legal representation continues, as evidenced by the 1000% increase in requests for CLR's assistance in the past twelve months;

WHEREAS, the City will be embarking upon an anti-displacement services program to address a broad array of challenges facing both tenants and homeowners resulting from these pressures and need assistance and supports to enable them to remain in their homes;

WHEREAS, the City desires to retain continuity in the current tenant legal services program until said anti-displacement services program is in place and finds that CLR is properly positioned to do so;

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 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);

RESOLVED: That the City Administrator or her designee is authorized to enter into a Second Amendment to the Contract with CLR extending term for provision of legal service to low income tenants for a period of no more than six months and increasing the contract amount to cover extended services by \$118,405 increasing the current five-year contract to a total contract amount of \$755,905 covering July 1, 2013 through December 31, 2018 with funding coming from the Rent Adjustment Fund (2413), Rent Adjustment Program (89969), Rent Adjustment Project (1001110).

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN,
AND PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California