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OFFICE OF THE CITY CLERK
OAKLAND

2018 NOV 20 PM 12:28

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Michele Byrd
Director, HCDD

SUBJECT: Amendment to Centro Legal de la
Raza Professional Services
Agreement

DATE: November 2, 2018

City Administrator Approval

Date:

11/2/18

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution:

- 1) **Authorizing A First Amendment To The Professional Services Agreement For Anti-Displacement Services With Centro Legal De La Raza Expanding The Scope To Include Six Months Of Continuation Legal Services To Low-Income Tenants Related To The Rent Adjustment Ordinance And Tenant Protection Ordinance And Increasing The Agreement Amount To Cover The Expanded Services By \$118,405 From The Rent Adjustment Program Fund (2413) Increasing The Current Two-Year Agreement Amount of \$2,200,000 Funded From the Affordable Housing Trust Fund (1870) To A Total Amount Of \$2,318,405; And**
- 2) **Authorizing The Advance Payment Of \$40,000 From the Affordable Housing Trust Fund (1870) For A Grant Pool To Enable The Emergency Financial Assistance Grants Specified In Agreement To Be Provided To Eligible Recipients In A Timeframe That Addresses Emergency Needs.**

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, specifically the Rent Adjustment Ordinance (RAP) and the Tenant Protection Ordinance (TPO), 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 exercised. On July 10, 2018, the City Council approved an additional six-month extension of this contract through December 31, 2018.

The provision of these services has been critical in ensuring that low-income tenants can readily understand their rights under these Rent Adjustment 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. To advance these broader anti-displacement services, on July 24,

Item: _____
CED Committee
December 4, 2018

2018, the City Council authorized the City Administrator to negotiate a contract for said services with CLR. A Professional Services Agreement for delivery of anti-displacement services is now in place, commencing October 1, 2018.

To ensure that the RAP and TPO legal work proceeded and did not lapse while the anti-displacement services agreement was being negotiated, on July 10, 2018 the City Council approved an extension to the existing CLR contract for RAP and TPO services for a six-month period, expiring December 31, 2018 (Resolution No. 87266 C.M.S.). Further, the Agenda Report for that extension contemplated the action being requested in this Agenda Report, stating: "Staff proposes to fold this existing successful low-income tenant legal services activity into the new anti-displacement services program." However, staff is recommending limiting this amendment for the delivery of the RAP and TPO services to a six-month period, and that during this time staff conduct a competitive procurement process for these services starting in fiscal year 2019/2020.

In addition, a core component of the anti-displacement program (pursuant to the Anti-Displacement Professional Services Agreement noted above) provides emergency financial assistance to households at risk of displacement. Staff recommends authorizing an advance payment of \$40,000 from the \$2,200,000 available through this Agreement so that the provision of emergency financial assistance to eligible recipients can be provided in a timeframe that addresses emergency needs.

BACKGROUND / LEGISLATIVE HISTORY

On July 10, 2018, the City Council approved an extension of the five-year CLR contract for a period of six months, with a termination date of December 31, 2018 and increasing the contract amount by \$118,405, for a total contract amount of \$755,905 which covered five and one-half years.

On July 24, 2018, the City Council authorized the City Administrator to negotiate a contract for said services with CLR for anti-displacement services. The Anti-Displacement Professional Services Agreement in the amount of \$2,200,000 is now in place, and services began as of October 1, 2018. The Agenda Report presented on July 24, 2018 indicated that staff would return to the City Council to incorporate the RAP and TPO services into the anti-displacement program at a later date.

A core component of the anti-displacement program is the provision of emergency financial assistance to low-income tenants and homeowners in a manner that prevents displacement. The program includes \$494,000 in funding for this assistance to both low income tenants and homeowners. At present, staff is not authorized to advance payments to ensure that this assistance can be provided to eligible households in a timeframe that meets emergency needs.

ANALYSIS AND POLICY ALTERNATIVES

Current Low-Income Tenant Legal Services Program

Legal services for low-income tenants 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 East Bay Community Law Center (EBCLC) and currently held by 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. The legal services, and the performance goals for July 1 through December 31, 2018, include:

- Clinic at the Housing Resource Center one day per week - Mondays from 9:00 am to 12:00 pm.
- Assessment - 400 individuals will be assessed for eligibility.
- Limited Scope Services - 300 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, and making phone calls.
- Legal Representation - 25 individuals will be served in the context of the Rent Adjustment Ordinance, such as representation at RAP Hearings or Appeal Hearings.
- RAP Petitions Prepared - 25 individuals will be served.
- Small Claims Assistance¹ (including assistance with the Tenant Protection Ordinance) - 5 individuals will be served.
- Outreach - 5,000 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.

Table 1 depicts CLR's performance in meeting goals last year (2017 - 2018) and **Table 2** depicts performance for current contract term, to date.

Table 1. CLR Performance in Meeting Contract Goals FY 2017 – 2018

Activity	Contract Goal	2017-18 Performance	Percent of Goal
Outreach	10,000	10,003	100%
Assessment	800	13,394	1674%
Limited Scope Services	600	677	113%
Legal Representation	50	54	108%
RAP Petitions/Appeals Prepared	50	103	206%
Small Claims Assistance	10	4	40%

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

Table 2. CLR Performance in Meeting Contract Goals July – Sept. 2018

Activity	Contract Goal Jul – Dec. 2018	2018 Performance to date (as of 9/30/18)	Percent of Goal to date (50% completion)
Outreach	5,000	300	6%
Assessment	400	427	107%
Limited Scope Services	300	105	35%
Legal Representation	25	11	44%
RAP Petitions/Appeals Prepared	25	31	124%
Small Claims Assistance	5	9	180%

CLR's performance carrying out this program last fiscal year was very successful, consistent with prior years, with nearly all goals exceeded. The only goal not met was the small claims assistance; CLR found a lack of interest in this approach last year. During the past three months, CLR has experienced an uptick in the number of individuals seeking assistance with the preparation of RAP petitions and appeals; a reflection of the increase in petitions overall, as well as successful efforts to ensure the community is aware of this service. With 50% of the period completed, they have already met over 100% of this goal. Related, there are fewer people seeking limited scope services. In terms of outreach, the calculation of media activity will be provided at the end of the term and moving forward CLR will be holding at least one "Know Your Rights" workshop each month. Notwithstanding the high demand for these services, CLR will also be increasing flyer distribution.

While CLR's performance has been strong, staff recommends limiting the contract extension to six months so that a competitive procurement process can be conducted. The competitive procurement process will ensure that the City has an opportunity to retool its requirements, program design, and expectations for this program and select the best qualified legal services provider. Part of this retooling will be to better align this set of legal services with those being delivered through the anti-displacement activities underway in Oakland right now (described below). RAP staff will conduct this process, in coordination with Contracts and Compliance staff, commencing in December 2018.

Current Anti-Displacement Services Program

The anti-displacement services vary from the above set of services in the following ways:

- They target low income tenants who specifically are facing evictions with a two-pronged approach: delivery of legal services and emergency financial assistance. The anti-displacement program does not currently include funding for legal assistance to tenants related to the RAP or TPO.
- Services are also provided to low-income homeowners who are facing foreclosure or other events or actions that put them at risk of losing their home with the same two-pronged approach: delivery of legal services and emergency financial assistance.

- Outreach and public education component for low income tenants provided by Causa Justa: Just Cause.
- Asian language legal services are being provided by Asian Pacific Islander Legal Outreach (APILO).

Additional Legal Services for Small Owners of Rental Property Planned

On October 19, 2018, a Request for Proposals for legal services, outreach, and public information for small owners of residential rental properties was released. A voluntary pre-proposal meeting was held on October 26, 2018 and two prospective respondents attended. Three proposals were received on the due date of November 13, 2018 and staff expects to have a selected contractor in place and delivering these services early in 2019. The target audience for these services will be small landlords, owners of 15 units or less, and the scope of service components will include:

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

Coordinating the Programs

The need for these various legal services addressing housing issues continues to be critical and is growing as the impact of escalating rents and skyrocketing property values continues to place tenants in an economic bind and fuel displacement. The provision of legal services is enhanced by the addition of the emergency financial assistance component included in the City's Anti-Displacement Program, as well as the provision of services and assistance to low income homeowners. Coordinating the City's existing successful low-income tenant legal services with the new anti-displacement program will advance a more seamless program model.

At the present time there are two additional programs underway that offer varying types of legal services related to housing issues: Alameda County's Anti-Displacement Crisis Intervention Program and Keep Oakland Housed, funded by Kaiser and the San Francisco Foundation. City Housing and Community Development staff is working closely with all of these to ensure they are complementary and not duplicating efforts. In addition, HCD staff will be managing and monitoring the City-funded programs for specific performance deliverables as well as measurable outcomes. **Attachment A** is a chart of the various housing related legal services programs operating or planned for the City of Oakland at the current time.

Alternatives to Amending the Anti-Displacement Agreement

- Staff could commence the competitive procurement process for these services now. However, a thorough procurement process would take approximately six months, which would result in a gap in the provision of legal services for low-income tenants pertaining to the Rent Adjustment and Tenant Protection Ordinances between January and June 2019.
- Staff could amend the anti-displacement agreement budget to move funds from one or more of the prescribed activities to fund these RAP and TPO legal services. The result would be fewer funds for one or more of the following activities: 1) eviction defense legal services; 2) legal assistance to low income homeowners facing displacement, 3)

emergency financial assistance to low-income tenants and homeowners, 4) outreach and education for low-income tenants, and/or 5) Asian language legal services.

Ensuring Timely Provision of Emergency Financial Assistance Grants

The anti-displacement program is a two-year program funded in the amount of \$2,200,000. Of this amount, \$494,000 is available for emergency financial assistance to prevent displacement of low income tenants and homeowners. Staff is requesting authorization to advance \$40,000 of the \$494,000 portion of the \$2,200,000 Agreement that is available for emergency financial assistance to facilitate the provision of emergency assistance in a timely manner, meeting eligible recipients' emergency needs. On a monthly basis the City will receive documentation that grants were made for eligible households and for eligible uses, at which time the City would replenish the pool up to a maximum amount of \$40,000. Alameda County will be advancing funds in the same manner and in the amount described above.

Table 3 describes the funding available for emergency financial assistance broken down by use and individual grant limits:

Table 3. Anti-Displacement Program Emergency Financial Assistance Component

Eligible Households	Grant Administrator	Total Emergency Financial Assistance Fund (2018 – 2020)	Maximum Grant Amount per Household
Low Income Tenants (50% of area median income and below)	CLR	\$275,000	\$10,000
Low Income Homeowners (80% of area median income and below)	Housing & Economic Rights Advocates (HERA)	\$219,000	\$15,000

Alternatives to Authorizing the Advancing of Funds for an Emergency Financial Assistance Pool

- CLR would submit an invoice to the City for the funds and then wait for the payment, which could take two or more weeks, to provide the funds to the clients. As a non-profit organization, CLR does not have the cash flow availability to front load these funds.

FISCAL IMPACT

The funds for this 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.

The \$40,000 advance is from the \$2,200,000 funded by Fund 1870 and approved pursuant to Resolution No. 87304 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.

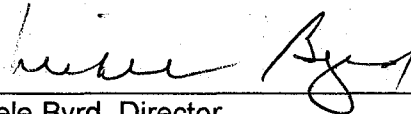
ACTION REQUEST OF THE CITY COUNCIL

Staff recommends that the City Council adopt a resolution:

- 1) Authorizing a First Amendment to the Professional Services Agreement (Agreement) for Anti-Displacement Services with Centro Legal De La Raza expanding the scope to include six months of continuation legal services to low-income tenants related to the Rent Adjustment Ordinance and Tenant Protection Ordinance and increasing the Agreement amount to cover the expanded services by \$118,405 from the Rent Adjustment Program Fund (2413) increasing the current two-year Agreement amount of \$2,200,000 funded from the Affordable Housing Trust Fund (1870) to a total amount of \$2,318,405; and
- 2) Authorizing the advance payment of \$40,000 from the Affordable Housing Trust Fund (1870) for a grant pool to enable the Emergency Financial Assistance Grants specified in Agreement to be provided to eligible recipients in a timeframe that addresses emergency needs.

For questions regarding this report, please contact Maryann Leshin, Deputy Director of Housing and Community Development Department at (510) 238-6225.

Respectfully submitted,



Michele Byrd, Director
Housing and Community Development Department

Attachment (1):

A- Anti-Displacement and Rent Adjustment Program Legal Services Chart

Attachment A: Anti-Displacement and Rent Adjustment Program Legal Services

Program Name	Administrator/Lead	Services	Funding
City of Oakland Anti-Displacement Program	Centro Legal de la Raza <i>Partners:</i> <ul style="list-style-type: none"> • East Bay Community Law Center (EBCLC) • Housing & Economic Rights Advocates (HERA) • Asian Pacific Islander Legal Outreach (APILO) • Causa Justa:Just Cause 	<ul style="list-style-type: none"> • Legal Services (tenants + homeowners) • Emergency Financial Assistance (tenants + homeowners) • Education & Outreach (tenants) • Asian Language legal services 	\$2,200,000 (2 years)
Alameda County Anti-Displacement Crisis Intervention Program	Centro Legal de la Raza <i>Partners:</i> <ul style="list-style-type: none"> • EBCLC • Eviction Defense Center • Bay Area Legal Aid • HERA 	<ul style="list-style-type: none"> • Legal Services (tenants + homeowners) • Emergency Financial Assistance (tenants + homeowners) 	\$3,500,000 (2.5 years, for entire County)
Keep Oakland HOUSED	EBCLC <i>Partners:</i> <ul style="list-style-type: none"> • BACS • Catholic Charities of the East Bay 	<ul style="list-style-type: none"> • Legal Services (tenants only) • Emergency Financial Assistance (tenants only) • Supportive Services 	\$9,000,000
Legal Service for Low Income Tenants (Rent Adjustment and Tenant Protection)	Centro Legal de la Raza	Legal Services for tenants	\$ 237,000 per year
Legal Services for Small Residential Property Owners (all aspects of Rent Adjustment Program)	TBD	Legal, Outreach, Public Information Services (small property owners only)	\$50,000 per year

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Approved as to Form and Legality

OAKLAND CITY COUNCIL


City Attorney

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT FOR ANTI-DISPLACEMENT SERVICES WITH CENTRO LEGAL DE LA RAZA EXPANDING THE SCOPE TO INCLUDE SIX MONTHS OF CONTINUATION LEGAL SERVICES TO LOW-INCOME TENANTS RELATED TO THE RENT ADJUSTMENT ORDINANCE AND TENANT PROTECTION ORDINANCE AND INCREASING THE AGREEMENT AMOUNT TO COVER THE EXPANDED SERVICES BY \$118,405 FROM THE RENT ADJUSTMENT PROGRAM FUND (2413) INCREASING THE CURRENT TWO-YEAR AGREEMENT AMOUNT OF \$2,200,000 FUNDED FROM THE AFFORDABLE HOUSING TRUST FUND (1870) TO A TOTAL AMOUNT OF \$2,318,405; AND AUTHORIZING THE ADVANCE PAYMENT OF \$40,000 FROM THE AFFORDABLE HOUSING TRUST FUND (1870) FOR A GRANT POOL TO ENABLE THE EMERGENCY FINANCIAL ASSISTANCE GRANTS SPECIFIED IN AGREEMENT TO BE PROVIDED TO ELIGIBLE RECIPIENTS IN A TIMEFRAME THAT ADDRESSES EMERGENCY NEEDS.

WHEREAS, the City Council entered into a Second Amendment to the contract with Centro Legal de la Raza ("CLR") for legal services to low-income tenants pertaining to the Rent Adjustment and Tenant Protection Ordinances which expires on December 31, 2018;

WHEREAS, the City Council entered into a two-year \$2,200,000 Agreement with CLR to provide anti-displacement services to low-income tenants which commenced on October 1, 2018;

WHEREAS, upon entering into said Second Amendment, the City Council contemplated including continuation legal services to low-income tenants pertaining to the Rent Adjustment and Tenant Protection Ordinances in said Anti-Displacement Agreement;

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 increase in requests for CLR's assistance in the past twelve months;

WHEREAS, the City desires to retain continuity in the current tenant legal services program for a six-month period, from January through June 2019, during which time it will conduct a competitive procurement process to select a legal service provider to carry out these activities starting in the 2019/20 fiscal year;

WHEREAS, the City finds that CLR is properly positioned to carry out these continuation legal services and that adding this limited scope to the Anti-Displacement Agreement reflects the alignment of these services which assist low-income tenants with housing issues;

WHEREAS, the Anti-Displacement Agreement scope of services includes a component which provides emergency financial assistance to income eligible tenants and homeowners in a manner which will prevent displacement;

WHEREAS, to ensure that these funds can be delivered in a timeframe that meets the emergency nature of these anti-displacement needs CLR requires access to these funds, and by advancing a portion of the funds allocated to this use they will be 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 First Amendment to the Anti-Displacement Agreement with CLR expanding the scope to include six months of continuation legal services to low-income tenants related to the Rent Adjustment Ordinance and Tenant Protection Ordinance and increasing the Agreement amount to cover the expanded services by \$118,405 increasing the current two-year Agreement to a total amount of \$2,318,405 with funding coming from the Rent Adjustment Fund (2413), Rent Adjustment Program (89969), Rent Adjustment Project (1001110);

RESOLVED: That City authorizes the advance payment of \$40,000 from the \$2,200,000 funded from the Affordable Housing Trust Fund (1870) for a grant pool to enable the emergency financial assistance grants specified in Agreement to be provided to eligible recipients in a timeframe that addresses emergency needs.

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