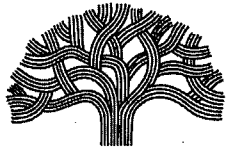


2020 JAN -2 AM 10: 55



CITY OF OAKLAND

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Maraskeshia Smith
Assistant City Manager

SUBJECT: Professional Services Agreement with
FUSE Corps for Rent Adjustment
Program

DATE: December 23, 2019

City Administrator Approval

Date:

12/30/19

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution:

- 1) Authorizing The City Administrator, Or Her Designee, To Negotiate And Execute An Agreement Between FUSE Corps And The City Of Oakland In An Amount Not-To-Exceed One-Hundred And Fifty Thousand Dollars (\$150,000) From The Rent Adjustment Program Fund (Fund 2413) To Fund One Executive-Level Fellow For The Housing And Community Department For Twelve Months; And**
- 2) Waiving The Competitive Request For Proposals/Qualifications (RFP/Q) Process Requirement For The Agreement.**

EXECUTIVE SUMMARY

Staff recommends that the City Council adopt a resolution to negotiate and execute a contract with FUSE Corps in order to facilitate the implementation of high-level priorities within the Housing and Community Development Department (HCD)'s Rent Adjustment Program (RAP). FUSE Corps is a national nonprofit organization that specializes in recruiting, training and placing highly experienced executive-level professionals in local government agencies to deliver on strategic, high-impact projects. FUSE Fellows work with civic leaders to address government challenges on a range of issues including economic and workforce development, sustainability, healthcare, public safety, climate change and education. The agreement would be for a twelve-month period from January 21, 2020 through May 1, 2021 for a contract amount not to exceed \$150,000.

The focus of the FUSE Fellow's work with RAP will be to conduct research to support the City in determining the costs and benefits of establishing a rental registry in Oakland which is a foundational element in ensuring that the City has the data it needs to prevent displacement,

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CED Committee
January 14, 2020

ensure compliance local rent control measures, and streamline its processes for collecting RAP fees. The Fellow will then advise the City on how best to design, structure and potentially launch a rental registry that will provide vital intelligence to policymakers as they craft housing policy. By the conclusion of the fellowship, the City seeks to have a functioning rental registry that will bring more transparency to the rental market and enable decision makers to more effectively address Oakland's urgent housing crisis. Key elements of this scope include:

- *Identify Best Practices:* Interview City staff, local landlords and community members to understand the key elements of a successful registry. Engage with and potentially travel to other jurisdictions to learn about best practices.
- *Create a Plan:* Develop a detailed process for potential implementation for staff and the City Council to evaluate. Recommend a potential data management platform and evaluate the costs of build-out. Establish baseline rental data. Develop a proposed process for monitoring data and compliance.
- *Conduct Outreach:* Engage local landlords to build awareness of new requirements. Develop strategies to encourage compliance.

BACKGROUND / LEGISLATIVE HISTORY

The City has a recent history of engaging FUSE fellows, including four during the past two years:

- In July 2018, the City Council approved Resolution No. 87305 C.M.S., which authorized two FUSE fellows to aide with strategic programs within the Planning and Building Department (PBD) and the Economic & Workforce Development Department (EWDD).
 - PBD partnered with FUSE Corps to assess current permit-application processes, identify gaps in service and recommend ways to improve operations.
 - EWDD partnered with FUSE Corps to strategically coordinate and assist the Department in leveraging projected public and private investments in the International Boulevard Corridor to ensure that existing residents and businesses also prosper from these developments.Both projects are currently underway and are already resulting in improvements. The EWDD FUSE Fellow was instrumental in coordinating with the East Oakland Community to prepare the grant application for the State of California's Transformative Climate Communities program.
- In March 2019 the City Council approved Resolution No. 18134 C.M.S, which authorized two additional FUSE fellows to support the Information Technology Department (ITD) in implementing a Citywide strategic plan.

In February 2019, the City approved an increase to the RAP fee, an action that reflected both the need to increase staff and improve systems to meet unmet demands, as well as to institute programmatic improvements including enhanced public education and outreach, enforcement, and data collection and analysis. The proposed scope for a RAP FUSE Fellow will facilitate and accelerate the pace of identifying and implementing some of the key programmatic improvements in an informed manner.

ANALYSIS AND POLICY ALTERNATIVES

The City of Oakland is taking bold steps to address a housing crisis that has displaced thousands of mostly low-income and minority residents over the last decade. Proactive efforts to strengthen renter protections and increase the stock of affordable housing have begun to pay off, for example, rents are starting to stabilize, evictions are declining, and the percentage of residents who are "rent-burdened," meaning they spend 30 percent or more of their income on rent, has decreased.

But Oakland remains the Bay Area's fastest gentrifying market, a trend that has hit the city's renters particularly hard. Renters comprise 59 percent of households in Oakland and pay upward of \$3,000 in monthly rent, making the city one of the nation's most expensive metropolitan rental markets. Compounding this challenge is an existing state law, the Costa-Hawkins Act, that allows landlords to convert rent regulated units to market rate rents once they have been vacated, creating strong incentive to remove tenants protected by rent controls. Unjust evictions and illegal rent increases are common, but a lack of robust data hampers the ability of policymakers to respond.

To address this gap, eight California cities, over half of which are in the Bay Area, including San Jose, Berkeley, East Palo Alto, Richmond, Beverly Hills, Los Angeles, Santa Monica, and West Hollywood currently maintain a rental registry, which requires landlords to submit data about a unit's ownership, rental, and occupancy history into an online portal. This information allows policymakers to better monitor rental activity and develop evidence-based solutions to protect renters from skyrocketing housing costs. Similar proposals are currently being considered by the City and County of San Francisco as well as in the California State Assembly.

To support the effort to explore the cost/benefit and ultimate value of a rent registry, HCD staff are recommending that the City of Oakland partner with FUSE Corps to host an executive-level Fellow for one year who will advise the City on how best to design, structure and potentially launch a rental registry that will provide vital intelligence to policymakers as they craft housing policy. The Fellow will lead this effort with support from a team of staff at the Department of Housing and Community Development. By the conclusion of the fellowship, the City seeks to have a functioning rental registry that will bring more transparency to the rental market and enable decision makers to more effectively address Oakland's urgent housing crisis.

The first phase of the fellowship will focus on planning. This will involve a listening tour to learn about the City's informational needs and to identify best practices for creating a successful registry. This may involve travel to other jurisdictions to benchmark best practices nationwide. During the planning phase, the fellow will map out the process of creating the registry, including understanding what data already exists and how it can be used to help populate the new registry. The Fellow will also work closely with ITD staff to make recommendations about the data management software best suited to the City's needs.

In the second phase of work, the Fellow will oversee implementation of the registry, including beta testing the system, training staff, and conducting outreach with landlords and community members to educate them about the new requirements. All of this work will be a team effort, led by the Fellow.

It is hoped that by the end of the fellowship, the registry will have been up and running for at least one to two months, allowing time for troubleshooting and fine tuning. Accordingly, the selected Fellow will arrive understanding the value of rent control in a fast-gentrifying city and be able to move quickly from the planning to the implementation stage.

Finally, the Fellow will propose a process for analyzing the data in the registry.

This scope of work will require a full-time level of effort on a temporary basis that the existing staffing pattern cannot accommodate. The level of research and analysis would be best suited to an individual with the kind of experience that the FUSE Fellows program provides. It is a significant undertaking and critical that the options for advancing a rent registry are carefully evaluated, and upon selection of the best approach, executed in a smooth manner that does not disrupt the property owners, property managers, and tenants in the affected units.

FUSE Corps is a non-profit organization that is already working with the City along with other local governments such as Los Angeles, San Jose and Seattle to drive actionable solutions to government challenges. FUSE Fellows, who are comprised of talented mid-career professionals, work intimately with civic leaders to achieve specific deliverables related to a defined set of issues. Because FUSE Fellows work towards a targeted goal throughout the fellowship term of one year, results are comprehensive and cannot be replicated at the staff level given staff's competing responsibilities and limited resources.

Waiver of Request For Proposals/Qualifications (RFP/Q) Competitive Selection Requirements

Section 2.04.051.B of the Oakland Municipal Code (OMC) authorizes the City Council to waive the competitive bidding requirements of the OMC section 2.04.051.A after a finding and determination that it is in the best interest of the City to do so.

Staff recommends that the City Council find and determine that it is in the best interest of the City to waive the competitive bidding requirements based on the following factors:

- **Unique Service:** FUSE Corps Executive Fellowships are unique and cannot be found through typical government purchasing standards. As a 501(c)3 nonprofit organization, FUSE Corps has proprietary approaches to recruiting, training, coaching and supporting Fellows who participate in the program. As such, a competing "product" would be difficult and possibly prohibitively expensive to find in the private sector, especially given the 12-month nature of the projects.
- **Efficiencies:** Because FUSE Fellows are already working within the City, there are efficiencies for the City due to contracting with a partner who is well-versed with the City and its processes.

FISCAL IMPACT

The total cost of securing one Fellow for a twelve-month contract is \$150,000.

Funding is available in Rent Adjustment Program Fund (Fund 2413).

PUBLIC OUTREACH / INTEREST

This report did not require any additional public outreach other than the required posting on the City Council Agenda.

COORDINATION

This report was prepared in coordination between HCD, Budget Bureau, and the City Attorney's Office. Once assigned, the FUSE Fellows will be working with staff across the various Departments.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report.

Environmental: There are no environmental opportunities associated with this report.

Race and Equity: Approval of this resolution will help ensure the City's ability to address some of the most pressing issues facing the City in a strategic manner. Once completed, these partnerships will provide better services and information access for Oakland residents, including digital inclusion policies along with equitable access to City services.

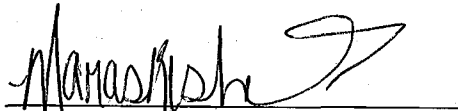
ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution:

- 1) Authorizing The City Administrator, Or Her Designee, To Negotiate And Execute An Agreement Between FUSE Corps And The City of Oakland In An Amount Not-To-Exceed One-Hundred And Fifty Thousand Dollars (\$150,000) From The Rent Adjustment Program Fund (Fund 2413) To Fund One Executive-Level Fellow For The Housing And Community Department For Twelve Months; And
- 2) Waiving The Competitive Request For Proposals/Qualifications (RFP/Q) Process Requirement For The Agreement.

For questions regarding this report, please contact Chanee Franklin Minor, Rent Adjustment Program Manager at (510) 238-3262 or Maryann Leshin, Deputy Director, HCD at (510) 238-6225.

Respectfully submitted,



Maraskesha Smith
Assistant City Administrator

Reviewed by:
Maryann Leshin, Deputy Director
Housing and Community Development

Prepared by:
Chanee Franklin Minor, Rent Adjustment
Program Manager
Housing and Community Development

Oliver Luby
City Attorney

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL

2020 JAN -2 AM 10: 55

RESOLUTION No. _____ C.M.S.

A RESOLUTION:

- 1) **AUTHORIZING THE CITY ADMINISTRATOR, OR HER DESIGNEE, TO NEGOTIATE AND EXECUTE AN AGREEMENT BETWEEN FUSE CORPS AND THE CITY OF OAKLAND IN AN AMOUNT NOT-TO-EXCEED ONE HUNDRED AND FIFTY THOUSAND DOLLARS (\$150,000) FROM THE RENT ADJUSTMENT PROGRAM FUND (FUND 2413) TO FUND ONE EXECUTIVE-LEVEL FELLOW FOR THE HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT FOR TWELVE MONTHS ; AND**
- 2) **WAIVING THE COMPETITIVE REQUEST FOR PROPOSALS/QUALIFICATIONS (RFP/Q) PROCESS REQUIREMENT FOR THE AGREEMENT**

WHEREAS, FUSE Corps is a nonprofit organization that partners with local government to help urban communities thrive; and

WHEREAS, FUSE Corps specializes in recruiting, training and placing a highly-experienced executive-level professional in government agencies to deliver on high impact projects over 12-month terms; and

WHEREAS, the Housing and Community Development Department (HCD) finds that, in order to have the data needed to inform policymakers engaging in efforts to stem displacement and staff designing programmatic solutions to prevent displacement, as well as systems that ensure compliance with local rent control measures, and strategies to streamline its processes for collecting Rent Adjustment Program fees, a rent registry approach is called for; and

WHEREAS, HCD is requesting to execute a contract with FUSE Corps to advise the City on how best to design, structure and potentially launch a rental registry that will provide vital intelligence to policymakers as they craft housing policy; and

WHEREAS, HCD staff has identified available funds in the amount of \$150,000 to fund one executive-level FUSE Fellow for a twelve-month contract term; and

WHEREAS, Oakland Municipal Code (OMC) Section 2.04.051.A requires the City Administrator to conduct a request for proposals/qualifications (RFP/Q) process for professional services agreements in excess of \$50,000 and OMC Section 2.04.051.B allows Council to waive the RFP/Q requirements upon a finding by the Council that it is in the best interest of the City to do so; and

WHEREAS, City staff recommends waiving the RFP/Q requirements for this agreement because of the opportunity presented for a unique partnership that is proposed to enhance department services and promote community engagement; and

WHEREAS, the City Administrator has determined that the services provided pursuant to the agreement authorized hereunder are professional, temporary in nature, and shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

RESOLVED: That the City Council authorizes the City Administrator or her designee to execute a Professional Services Agreement (Agreement) with FUSE Corps for a total amount not-to-exceed one hundred and fifty thousand dollars (\$150,000); and be it

FURTHER RESOLVED: Pursuant to OMC Section 2.04.051.B, that for the reasons stated above and the City Administrator's staff report accompanying this resolution, City Council finds it is in the best interest of the City to waive the RFP/Q; and be it

FURTHER RESOLVED: That the Agreement with FUSE Corps shall be executed contingent upon available funding; and be it

FURTHER RESOLVED: That HCD has identified available funding in the amount of \$150,000 in Rent Adjustment Program Fund (2413), Administrative Organization (89969), Account (54930), Project (1001110), Task (P190020), Award (20342); and be it

FURTHER RESOLVED: That the City Administrator or her designee is hereby authorized to accept and appropriate, as needed, for the same purposes described above and consistent with the Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council of the City
of Oakland, California