



City of Culver City

Mike Balkman
Council Chambers
9770 Culver Blvd.
Culver City, CA 90232
(310) 253-5851

Staff Report

File #: 24-1145, Version: 1

Item #: C-4.

CC - CONSENT ITEM: (1) Receipt of Progress Report on the Status of Implementation of the Rent Control and Tenant Protections Ordinances (“Program”); (2) Waiver of Competitive Bidding Requirements, Pursuant to Culver City Municipal Code Section 3.07.075.F.3; (3) Approval of an Amendment to the Existing Professional Services Agreement with BAE Urban Economics Extending the Term of the Agreement through June 30, 2029 in an Additional Amount Not-to-Exceed \$70,807 for Fiscal Year 2024-2025 with an Increase of CPI or No More than 5% in Subsequent Contract Years for Implementation and Support Services Related to the Program; (4) Approval of an Amendment to the Existing Professional Services Agreement with Tripepi Smith and Associates Extending the Term of the Agreement through June 30, 2029 in an Additional Amount Not-to-Exceed \$33,500 for Fiscal Year 2024-2025 with an Increase of CPI or No More than 5% in Subsequent Contract years for Public Communications Support for the Program; (5) Approval of a Five-Year Professional Services Agreement with HdL through June 30, 2029 in an Amount Not-to-Exceed \$110,000 for Fiscal Year 2024-2025 with an increase of CPI or No More than 5% in Subsequent Contract Years for Maintenance of the Rental Unit Registration System; and (6) Approval of an Amendment to the Existing Professional Services Agreement with Bet Tzedek Extending the Term of the Agreement through June 30, 2029 in an Additional Amount Not-to-Exceed \$153,198 for Fiscal Year 2024-2025 with an increase of CPI or No More than 5% in Subsequent Contract Years for Fiscal Year 2024-2025 for Legal Services Related to Landlord-Tenant and Other Housing Issues to Culver City Residents.

Meeting Date: July 8, 2024

Contact Person/Dept: Shannon Louis/Housing and Human Services

Phone Number: (310) 948-2268

Fiscal Impact: Yes No

General Fund: Yes No

Attachments: Yes No

Public Notification: (E-Mail) Meetings and Agendas - City Council (07/02/2024); Landlord Tenant Mediation Board (07/08/2024); and Advisory Committee on Housing and Homelessness (07/08/2024)

Department Approval: Tevis Barnes, Housing and Human Services Director (06/05/2024)

RECOMMENDATION

Staff recommends the City Council (1) receive a progress report on the status of implementation of the Rent Control and Tenant Protections Ordinances (“Program”); (2) waive competitive bidding requirements, pursuant to Culver City Municipal Code (CCMC) Section 3.07.075.F.3; (3) approve an amendment to the existing professional services agreement with BAE Urban Economics related to the Program, extending the term of the agreement through June 30, 2029 in an additional amount not to exceed \$70,807 for Fiscal Year 2024-2025 with an increase of CPI or no more than 5% in subsequent contract years; (4) approve an amendment to the existing professional services agreement with Tripepi Smith and Associates (TSA) to continue the public communication support for the Program, extending the term of the agreement through June 30, 2029 in an additional amount not to exceed \$33,500 for Fiscal Year 2024-2025 with an increase of CPI or no more than 5% in subsequent contract years; (5) approve a five-year professional services agreement with HdL to continue maintenance of the online residential rental registration system and education and compliance services, through June 30, 2029 in an additional amount not-to-exceed \$110,000 for Fiscal Year 2024-2025 with an increase of CPI or no more than 5% in subsequent contract years; and (6) approval of an amendment to the existing professional services agreement with Bet Tzedek to continue providing legal services, related to landlord-tenant and other housing issues, to Culver City residents, extending the term of the agreement through June 30, 2029 in an additional amount not-to-exceed \$153,198 for Fiscal Year 2024-2025 with an increase of CPI or no more than 5% in subsequent contract years.

BACKGROUND

The City’s Rent Control and Tenant Protection Ordinances went into effect on October 30, 2020, permanently establishing rent control and tenant protections in the City (collectively, “Ordinances”). On May 24, 2021, the City Council approved an annual registration fee of \$167 per residential rental unit to cover the reasonable costs associated with administering the Program.

DISCUSSION

Rent Control and Tenant Protections Program Progress

Over the past fiscal year, the Housing and Human Services (HHS) Department has made significant progress in the implementation of the Program. During the past 12 months, Program staff has received a total of 3,439 inquiries via calls, emails, and walk-ins from the public with evictions, rent increases, registration, and untenable conditions serving as the leading topics of interest. There have been four Petitions for Noncompliance, zero Applications for Rent Adjustments, two Capital Improvement Pass-Through Applications, and seven Replacement Unit Determination Applications filed this fiscal year. The Program is currently at 85% compliance with respect to rent registrations and staff has actively consulted with its vendors, HdL and Tripepi Smith and Associates (TSA), to increase compliance and awareness of the registration requirements in the City. In addition to coordinating with HdL and TSA on registration matters, staff has worked with the consultants who will be discussed in this report to implement the remaining Program and ordinance requirements.

Guidelines and Procedures Development: BAE Urban Economics (BAE)

The City retained the services of BAE Urban Economics (BAE) in July 2019 to conduct a rent study for the Interim Rent Control Ordinance (IRCO). The City has continued to use their services as they are needed to complete the full establishment and implementation of the Ordinances.

Staff continues to work with BAE to develop written materials in alignment with industry standards and Culver City specific requirements to enforce the provisions of the Ordinances. BAE supports the Program through its research and development of ordinance required materials and processes. In Phase 4 of its work with the City in the implementation of the Ordinances, BAE will focus its efforts on further developing guidelines, materials, and procedures to support the evaluation of Replacement Unit Determination Applications of State law under SB 8 demolition related evictions, making additions to a staff handbook identifying operational procedures, and providing ongoing support in evaluating applications for upward or downward rent adjustments. BAE will also review City drafted materials to ensure compliance with the Ordinances and identify any areas requiring research of industry standards where the Ordinances are silent. To continue supporting the Program's implementation efforts, BAE has proposed a total budget not to exceed \$70,807 for Fiscal Year 2024-2025, which includes a 10% contingency to aid in any additional efforts that arise.

Rent Registration - HdL

The Rent Control Ordinance requires each landlord to register with the City each rental unit by July 31 annually, and each unit must be issued a registration certificate. The rent registry allows Culver City to collect rental housing data and better understand the Culver City rental marketplace. The City's consultant, HdL, is currently responsible for collecting and maintaining rent registry data for the City. To date, 6,076 of the total units from the previous year have been registered for the July 31, 2023 registration period, placing the Program at 97% for renewals from the previous registration period and an estimated 85% for overall account registrations. \$1,034,534.10 in fees and penalties has been collected for the same registration period. Staff has continued to collaborate with HdL, to aid in the education and compliance efforts to ensure all non-compliant accounts become compliant. There are ongoing discussions between HdL, staff, and the other consultants listed in this staff report to ensure community awareness of the registration requirements to further drive compliance. Without a robust education and compliance program, it is expected that the compliance rate for the registration requirement will either decrease or remain stagnant. To continue to drive engagement and use of the registration portal, not only for annual registration, but also for changes in ownership or tenancies, HdL has proposed a total budget not to exceed \$110,000 for Fiscal Year 2024-2025. Now that the registration portal has been established by HdL, staff recommends putting a new five-year agreement in place to ensure seamless program operations.

Public Outreach and Communications - Tripepi Smith and Associates

Staff continues to work with TSA, the City's communications consultant, to engage extensively with the community and create written educational materials to publicize the passage and requirements of the Ordinances. To highlight, over this past fiscal year, TSA has worked on a mailer, social media posts, and an animated video to be released in June 2024 dedicated to tenant protections and focused on rent registration requirements. Staff and TSA have developed an education, outreach, and community engagement plan in response to frequently asked questions and knowledge gaps that have come up from the public. Since July 2021, TSA has provided information to the public via

targeted social media ads, mailers, decisions trees for clarity around allowable rent increases and just cause evictions, regular website maintenance and refining updates to locate pertinent information more prominently, and press releases in alignment with larger tenant protection matters. TSA will continue to provide publicity around the Ordinances in the upcoming fiscal year promoting information through a mailer, three press releases, social media blasts, and a significant website refresh. Staff recommends amending the agreement with TSA to ensure that the education and outreach plan is implemented. TSA has proposed a total budget not to exceed \$33,500 for Fiscal Year 2024-2025 for its work on the proposed community engagement plan.

Bet Tzedek - Legal Services

Since the passage of the IRCO, and with the adoption of the permanent Ordinances, HHS regularly receives inquiries related to landlord/tenant rights and responsibilities under California law and Federal Fair Housing law. Bet Tzedek is a private, non-profit organization offering a variety of legal services, in Los Angeles County and specifically provides dedicated legal services to Culver City residents, including and up to full representation. The City's contract with Bet Tzedek designates a full-time attorney who is knowledgeable about California landlord/tenant law, Federal Fair Housing law, and Culver City Rent Control and Tenant Protections Ordinances, to assist Culver City residents. Bet Tzedek's contract also allows Culver City residents to contact them through a dedicated hotline and email address to obtain legal support.

Over the past fiscal year, Bet Tzedek has taken 101 cases, which includes supporting residents through the provision of full scope representation in State Court, advice and counsel, or limited scope representation on housing matters. Bet Tzedek continues to hold Housing Clinics weekly, with 44 Clinics held and 101 clients assisted in the 2023-2024 Fiscal Year, where residents can complete an intake and receive legal counseling and advice for their own unique housing issues. In addition, Bet Tzedek has continued conducting educational outreach to Culver City residents to ensure clarity of their rights and responsibilities under the Ordinances, including Know Your Rights workshops. The amount required to extend the contract with Bet Tzedek for the next fiscal year to maintain dedicated legal service for Culver City residents would be not-to-exceed \$153,198.

Since the inception of the Ordinances, the existing team of consultants has ensured that the Program was successfully launched and is running smoothly. To maintain the current level of service, it is in the City's best interest to retain each of these consultants for an additional five-year term.

CCMC Section 3.07.065 exempts professional and general services from the formal competitive bid process. However, pursuant to CCMC Section 3.07.045, where the same consultant has been utilized for a period of five years, the formal bidding procedures shall apply unless waived by the City Council. In this case, for the reasons set forth above, City staff is requesting that the City Council waive this requirement in accordance with CCMC Section 3.07.075.F.3.

FISCAL ANALYSIS

A fee study was completed at the inception of the Program to ensure that all Program costs would be supported with revenue generated through the collection of the rent registration fee, which is currently set at \$167 per covered unit. Staff is using 6,076, the current number of compliant units, out of an estimated 7,092 total units, to estimate the revenue for Fiscal Year 2024-2025 at \$1,014,692.

As more units come into compliance, this number will be adjusted. Sufficient funding for the first year of these amendments is included in the Adopted Budget for Fiscal Year 2024-2025 in the Housing and Human Services Department's Rent Stabilization/Tenant Improvement Division Operating and Maintenance expenditures for Other Contractual Services (Account No. 10135400.619800) to support the amendments included in this report. Funding for future years of the agreements will be included in future fiscal year budgets.

ATTACHMENTS

None.

MOTIONS

That the City Council:

1. Receive a progress report on the status of the implementation of the Rent Control and Tenant Protection Ordinances; and,
2. Waive competitive bidding requirements, pursuant to Culver City Municipal Code (CCMC) Section 3.07.075.F.3; and,
3. Approve an amendment to the existing professional services agreement with BAE Urban Economics related to the Program, extending the term of the agreement through June 30, 2029 in an additional amount not-to-exceed \$70,807 for Fiscal Year 2024-2025 with an increase of CPI or no more than 5% in subsequent contract years; and,
4. Approve an amendment to the existing professional services agreement with Tripepi Smith and Associates (TSA) to continue a public communications program for the Rent Control and Tenant Protections Ordinances, extending the term agreement through June 30, 2029 in an additional amount not-to-exceed \$33,500 for Fiscal Year 2024-2025 with an increase of CPI or no more than 5% in subsequent contract years; and,
5. Approve a five-year professional services agreement with HdL to continue maintenance of the online residential rental registration system and education and compliance services, extending the term of the agreement through June 30, 2029 in an additional amount not-to-exceed \$110,000 for Fiscal Year 2024-2025 with an increase of CPI or no more than 5% in subsequent contract years; and,
6. Approve an amendment to the existing professional services agreement with Bet Tzedek to continue providing legal services to Culver City residents, extending the term of the agreement through June 30, 2029 in an additional amount not-to-exceed \$153,198 for Fiscal Year 2024-2025 with an increase of CPI or no more than 5% in subsequent contract years; and,

7. Authorize the City Attorney to review/prepare necessary documents; and,
8. Authorize the City Manager to execute such documents on behalf of the City.