



City of Culver City

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Staff Report

File #: 22-195, **Version:** 1

Item #: C-5.

CC- (1) Approval of a Professional Services Agreement with Bet Tzedek to Provide Legal Services and Educational Outreach to Assist Culver City Tenants with Rental Housing Issues in an Amount Not-to-Exceed \$145,080; and (2) Approval of an Amendment to the Existing Professional Services Agreement with HdL Companies to Implement an Online Residential Rental Registration System and Provide Education and Compliance Services in an Amount Not-to-Exceed \$110,000.

Meeting Date: September 13, 2021

Contact Person/Dept: Tevis Barnes - CDD/Housing
Mona Kennedy - CDD/Housing

Phone Number: (310)253-5780

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☒ **Attachments:** ☒

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: Bet Tzedek (08/10/2021); HdL Companies (08/10/2021); (E-Mail) Meetings and Agendas - City Council (09/08/2021);

Department Approval: Sol Blumenfeld, Community Development Director (08/17/2021)

RECOMMENDATIONS

Staff recommends the Culver City Council (1) approve a professional services agreement with Bet Tzedek to provide legal services and educational outreach to assist Culver City tenants with rental housing issues in an amount not-to-exceed \$145,080; and (2) approve of an amendment to the existing professional services agreement with HdL Companies to implement an online Residential Rental Registration System and provide education and compliance services in an amount not-to-exceed \$110,000.

BACKGROUND

On September 29, 2020, the City Council adopted Ordinance No. 2020-14 and Ordinance No. 2020-15, which amended Culver City Municipal Code (CCMC) Chapter 15.09 to establish permanent residential rent control and tenant protections. Since July 1, 2020 to June 1, 2021, Housing staff,

working in concert with the Assistant City Attorney, has responded to over 4,000 emails and 700 telephone calls related to the adopted Rent Control and Tenant Protection Ordinances (RC/TP Ordinances). These interactions with property owners and tenants include, but are not limited to, issues related to rent registration, property owner requests for rent adjustment to meet Net Operating Income (NOI), tenant petitions for non-compliance due to reduction in housing services, eviction protections, compliance and education on the anti-harassment clause, owner occupancy compliance, education on voluntary tenant buyouts, guidance on relocation benefits in situations ranging from temporary renovations to habitability.

DISCUSSION

Bet Tzedek

With the passage of both the Interim Rent Control Ordinance (IRCO) and the subsequent adoption of the RC/TP Ordinances, the Housing Division has experienced an increase in the number of questions and concerns from both landlords and tenants about tenant/landlord rights and responsibilities under California law and Federal Fair Housing law, the State Eviction Moratorium and the Culver City RC/TP Ordinances. To address this increased community need, initially under the IRCO, the City engaged Bet Tzedek to provide legal services with a focus on rent control and Fair Housing Law.

Founded by Rabbi Stanley to provide legal assistance to Holocaust survivors and other Los Angeles seniors, Bet Tzedek provides free, expert legal advice and representation to low-income residents of Los Angeles County. Each year Bet Tzedek attorneys, advocates, and staff work with more than one thousand pro bono attorneys and other volunteers to assist more than 90,000 people regardless of race, religion, ethnicity, immigrant status, or gender identity.

Since the enactment of the IRCO and establishment of the RC/TP Ordinances, Bet Tzedek has opened 68 cases for Culver City residents. The new agreement with Bet Tzedek would include the following scope of services: weekly tenant housing clinics; tenant resource referral service; legal aid to residents with housing-related issues; and educational outreach.

Pursuant to Culver City Municipal Code (CCMC) Section 3.07.065.A, these services are exempt from competitive bidding requirements, provided competitive quotations are obtained, whenever practical, as determined by the City Manager. Staff is seeking to continue the retention of Bet Tzedek for continuity in implementation of the Ordinances and to provide specialized legal services for Culver City residents in the areas of fair housing, rent stabilization and tenant rights. Very few firms provide this type of specialized legal service. The City's former consultant was extremely slow to respond to Culver City residents. In addition, Bet Tzedek is currently working with Culver City clients and there is a desire not to disrupt services. If a new agency were to be selected to provide the services, the members of the public would have to re-establish a client relation with the new firm and in many of these cases time is of the essence to prevent eviction or to secure relocation assistance required under the Ordinances. For these reasons, the City Manager has determined it is not practical to obtain competitive quotations for these services at this time

HdL Companies

It is estimated that there are approximately 7,800 occupied rental units in Culver City that are owned by approximately 5,500 landlords. The Rent Control Ordinance requires each landlord to register with the City each rental unit, and each unit to be issued a registration certificate. This process results in a significant amount of data, which the City will use to better understand the Culver City rental marketplace. Staff recommends the City continue to engage HdL Companies to implement and manage the residential rental registration process. The process includes an online registration portal, as well as the ability to register via phone or by mail. In addition to overseeing rent registration, HdL will continue to implement an education and compliance program which will increase the percentage of landlords who register. As part of this program, HdL would send an initial letter to each landlord, followed by one or two follow-up letters, depending on when compliance is achieved. Without a robust education and compliance program, it is expected that the compliance rate with the registration requirement will be low.

At the December 9, 2019, City Council Meeting, an amendment with HdL, Inc. was approved by Council to implement an online residential rental registration system and provide education and compliance services. For the purpose of maintaining continuity of the rental unit registration process, Staff is seeking authority to expand the scope of the existing agreement with HdL under the same procurement authority.

FISCAL ANALYSIS

On May 24, 2021 the Council was informed the projected total annual cost of the City's rent control and tenant protections program is projected to be \$1,309,474. This amount includes staff costs and overhead, office and administrative expenses, contract and consulting services, non-staff overhead, and amortized program startup costs. Also, at the May 24, 2021 meeting Council approved a fee of \$167 per residential rental unit per year. This fee is expected to generate revenue during FY2021/2022 of between \$966,763 and \$1,309,474. To date 5,789 residential rents have been registered. Proceeds generated from the Rent Registration Fee will support the Bet Tzedek and HdL Companies contracts under account number 10150550.619800 (Other Contract Services) and 10150550.611600 (Legal Services) respectively.

ATTACHMENTS

None.

MOTION(S)

That the City Council:

1. Approve of a Professional Services Agreement with Bet Tzedek to provide legal services and educational outreach to assist Culver City tenants with rental housing issues in an amount Not - to exceed \$145,080; and
2. Approve of an Amendment to the Existing Professional Services Agreement with HdL

Companies to implement an Online Residential Rental Registration System and provide education and compliance services in an amount not-to exceed \$110,000; and

3. Authorize the City Attorney to review/prepare the necessary documents; and
4. Authorize the City Manager to execute such documents on behalf of the City.