

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: CHUCK REGALIA, ASSISTANT CITY MANAGER
CITY MANAGER'S OFFICE

SUBJECT: CONSULTANT CONTRACT – RENT STABILIZATION OPTIONS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the City Manager's Office that the Council, by resolution; 1) appropriate \$75,000 from the reserves of the General Fund; and 2) award a contract to Management Partners of San Jose, California to evaluate Rent Stabilization policy and management options for the implementation of Mediation / Arbitration, Just Cause for Eviction and Rent Stabilization in Santa Rosa.

EXECUTIVE SUMMARY

The purpose of this contract is to analyze policy and management options for the implementation of Mediation / Arbitration, Just Cause for Eviction and Rent Stabilization in Santa Rosa. This work effort is included within Council Goal #1 Create a Strong, Sustainable Economic Base, Strategic Objective #2, Evaluate Housing Initiatives.

BACKGROUND

Family budgets have been impacted in recent years due to the rise in residential rents and the reduction in affordability. The limited supply of rental housing has led to displacement of working families and consideration of rent stabilization options.

On September 1, 2015, a City Council Study Session was conducted on Rent Stabilization. During this study session, the City Council reviewed relevant State laws, considered market information and housing data, and considered other cities rental housing programs, policy options and future implications.

As a result of this study session and Council discussion, the City Council has requested review of policy and management options for the potential implementation of three approaches to addressing rent issues:

- Mediation / Arbitration
- Just Cause for Eviction
- Rent Stabilization

PRIOR CITY COUNCIL REVIEW

On September 1, 2015, the City Council conducted a study session to review rent stabilization.

ANALYSIS

Based on initial conversations between the City Manager's Office and Management Partners, the following deliverables are anticipated:

- **Research Agenda.** After an initial meeting with the City, Management Partners will finalize the content of the research agenda.
- **Observations and Preliminary Ideas.** When the initial research is completed Management Partners will provide the City with a document summarizing the results to that point, which can serve as the basis for continuing conversations, as needed.
- **Draft Presentation.** When the issues identified in the research agenda and discussed subsequently with the City have been clarified, Management Partners will prepare a presentation of the results for use as the basis of a City Council study session. A draft of the presentation will be discussed with the City prior to being finalized.
- **Research Presentation.** With the benefit of feedback on the content of the draft presentation. Management Partners will conclude the assignment by preparing and presenting the research and analytical results to the City Council in a study session.

City Staff has determined that Management Partners has the available staff and experience necessary to conduct this assignment and help the City Council understand how these options work, including necessary budget, staffing and management, start-up costs, and likely work load. A time and materials contract, not to exceed \$75,000, is proposed.

If this contract is awarded, the presentation of the research to the City Council is scheduled for mid-January 2016.

FISCAL IMPACT

Funds have not been budgeted for this research and analysis project. To support this contract, it is recommended that the City Council appropriate \$75,000 from the reserves

of the General Fund. Appropriating \$75,000 from fund balance will not reduce the balances below the Council policy objective of 17%.

ENVIRONMENTAL IMPACT

Preparation of an evaluation of Rent Stabilization policy and management options for the implementation of Mediation / Arbitration, Just Cause for Eviction and Rent Stabilization in Santa is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA section 15262 because it consists of a planning study for possible future actions that have not been approved, adopted, or funded.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Letter from Management Partners dated September 21, 2015
- Attachment 2 – Professional Services Agreement
- Resolution/Exhibit A (Agreement)

CONTACT

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