

**FIRST AMENDMENT TO CONSULTANT AGREEMENT
CITY OF SANTA ANA**

THIS FIRST AMENDMENT to Consultant Agreement is entered into on September 6, 2022, by and between RSG, INC., a California corporation (“Consultant”), and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (“City”).

RECITALS

- A. The parties entered into the Consultant Agreement (A-2021-192-01) on October 28, 2021, by which Consultant agreed to administer the City’s rent stabilization and just cause eviction ordinances, to further study additional regulatory framework and infrastructure, and to provide general consulting services (“Agreement”).
- B. The parties now wish to amend the Agreement to extend the term of the Agreement, append to the Scope of Services, and increase the compensation to be expended under the Agreement to cover costs during the extended term.

NOW THEREFORE, in consideration of the mutual and respective promises, and subject to the terms and conditions of the Agreement, except as hereinafter modified, the parties agree to the following:

- 1. **Section 1, Scope of Services**, shall be amended to replace the Proposal attached to the Agreement as Exhibit A with the Proposal and Scope of Services attached herewith as Exhibit A-1.
- 2. **Section 2(a), Compensation**, shall be amended to increase the compensation for services provided under this Agreement by \$500,000.00. The total amount to be expended during the term of this Agreement, including any extension period, shall not exceed \$800,000.00. The Fee Estimate provided in the Proposal attached to the Agreement as Exhibit A shall be replaced with the Fee Estimate in the Proposal and Scope of Services attached herewith as Exhibit A-1.
- 3. **Section 3, Term**, shall be amended to extend the Term of the Agreement for one (1) year from the Effective Date of this First Amendment, through September 6, 2023.
- 4. Except as modified by this First Amendment, all terms and conditions of the Agreement shall remain in full force and effect.

{signatures on following page}

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the date and year first written above.

ATTEST

CITY OF SANTA ANA

Clerk of the Council

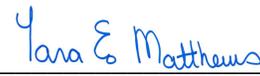
KRISTINE RIDGE
City Manager

APPROVED AS TO FORM
SONIA R. CARVALHO
City Attorney

RSG, INC.

By: 

Ryan O. Hodge
Assistant City Attorney



Tara E. Matthews
Tax ID# 95-3435849

RECOMMENDED FOR APPROVAL

STEVEN A. MENDOZA
Executive Director
Community Development Agency

EXHIBIT A-1

PROPOSAL AND SCOPE OF SERVICES



17872 GILLETTE AVE.
SUITE 350
IRVINE, CA 92614

714 541 4585
INFO@WEBRSG.COM
WEBRSG.COM

Via Email

August 22, 2022

Judson Brown, Housing Division Manager
City of Santa Ana
Community Development Agency
20 Civic Center Plaza (M-26)
Santa Ana, CA 92701

PROPOSAL – ADMINISTER THE CITY’S RENT STABILIZATION AND JUST CAUSE EVICTION ORDINANCES AND PROVIDE TRAINING, STAFF SUPPORT, AND GENERAL CONSULTING SERVICES

RSG, Inc. welcomes the opportunity to provide the City of Santa Ana (“City”) with services related to the City’s Rent Stabilization and Just Cause Eviction Ordinances (“RSO” and “JCEO”, respectively). It is our understanding that the City is seeking a consultant to provide administrative services for the City’s two adopted ordinances NS-3009 (RSO) and NS-3010 (JCEO). We also understand that it is the intent of the City to further refine the RSO and JCEO administrative process over the next nine to twelve months. The following details the scope of services RSG will provide, the project team, and the fee schedule.

SCOPE OF SERVICES

RSG will perform the following Scope of Services:

RSO and JCEO Administration

RSG is available to assist the City in the continued implementation of the City’s RSO program and JCEO, and to respond to public inquiries as needed.

- **Content Creation** – RSG can prepare ongoing RSO program and JCEO information for property owners and tenants, including:
 - press releases,
 - website content creation, including a list of Frequently Asked Questions (FAQs),
 - maximum allowable rent increase,
 - letters to rental property owners, and
 - fliers and handouts.
- **Staff Support and Training** – RSG will continue to provide administrative support services to City staff and is available to prepare training materials and support as needed for use by City staff for program implementation. Additionally, and as needed by City staff, RSG can provide temporary staffing to answer questions of property owners and residents, both in person for walk-ins and appointments at City Hall or the Housing Authority (or another location best suited for the clientele), and via the dedicated phone line and email address. Depending on the availability of City staff and the volume of inquiries, the number of days and hours of in-person staffing will be adjusted accordingly.
- **CPI Rent Increase Calculations** – RSG will prepare and distribute allowable rent increase amounts to affected property owners pursuant to the procedures detailed in the RSO. CPI calculations determine the allowable percentage a property owner/landlord is allowed to increase a tenant’s rent by. The

RSO states that this shall be the lesser of 3% per annum or 80% of the change in CPI.

- **Workshops/Webinars** - RSG can continue to conduct tenant, landlord, and community organization workshops. These workshops will be in-person and online in the form of a webinar. They will be recorded and made available on the City website for future reference. The workshops can be tailored to specific groups such as non-profits and tenants' organizations that may assist renters with the RSO and JCEO, and property owners and property managers. RSG will work with the City to provide translation for these workshop/webinars in Spanish and Vietnamese.
- **Written Notices to Tenants and Landlords/Owners** - RSG can work with the City Attorney to prepare and update required notices as identified in the ordinances as well as any ordinance amendment documents requiring notices to tenants and/or landlords as noted in RSO Section 8-1998 and JCEO Section 8-1994.
- **Tenant Complaints under RSO and JCEO** – RSG will provide information to tenants regarding the provisions of the RSO and JCEO but will not be expected to assist the tenant any further regarding complaints or enforcement. Rather, tenants will be directed to contact an attorney that can file a civil suit if warranted. RSG will also assist with expanding the compliance activities following adoption of the Long-Term Implementation Plan and amendments to the RSO and JCEO.
- **Preparing Fair Return Petition Analysis** - RSG will review the Fair Return Petition Application and evaluate an applicant's request to increase rents above the amount automatically allowed under the RSO, in order to receive a fair and reasonable return. Per the RSO Section 8-1998.3, the Fair Return Petition Application analysis will be provided to the City Manager for final review and approval.

RSO and JCEO Advisory and Implementation Services

RSG understands that the City would like to continue to evaluate potential improvements to the RSO and JCEO. RSG is available to conduct necessary research as directed, including but not limited to best practices and procedures of rent stabilization and just cause eviction ordinances in other communities. RSG is also available to implement any policies, procedures, or any potential modifications to the existing RSO and JCEO as directed by City Council. RSG can attend and participate in City Council and Staff meetings, as requested. We are also available to conduct community outreach as needed.

RSG will be available to provide analysis, expert testimony, or other support to the City regarding any legal challenges to the RSO and JCEO.

RSG will assist the City with all of the recommendations and follow-up actions to implement the Long-Term Implementation Plan for the RSO and JCEO.

RSG is available to assist with the regulatory framework and infrastructure necessary to implement residential rent stabilization, just cause eviction, and other protections for Santa Ana residents facing housing instability, including the potential of an Eviction Prevention Program.

PROJECT TEAM

Tara Matthews will serve as the Managing Principal providing oversight for all aspects for the engagement and will be the primary consultant. She will be assisted by Cindy Blot, Senior Associate, who will serve as the project manager and Rebecca Riddle, Analyst. Other RSG staff may be assigned as needed. Resumes of staff are available at www.webrsg.com or can be provided upon request.

REFERENCES

Mobilehome Park Fair Return Rent Adjustment Petition Administrative Services – City of El Monte

Contact: Alma Martinez, City Manager
City of El Monte
11227 Valley Boulevard, Suite 200
El Monte, CA 91731
626.580.2001 / amartinez@elmonteca.gov

RSG assists the City of El Monte with administration of the City's Mobilehome Park Rent Stabilization Program by providing services as it pertains to the El Rovia Trailer Village, LLC Rent Increase Petition Review and MNOI Analysis. The scope of services includes the following:

- Petition Review – RSG reviews the Petition to ensure that it is complete and adheres with the Program guidelines and that all claimed expenses are eligible Program operating expenses. Additionally, RSG verifies park revenues. Petition Review also includes preparing correspondence to the Park Owner informing them if their Petition has been accepted or rejected. Should a petition be rejected, RSG will detail the reason for the rejection to inform the Park Owner of any deficiencies.
- Maintenance of Net Operating Income (“MNOI”) Analysis - RSG calculates the MNOI and the proposed MNOI Entitlement pursuant to Section 8.70.080 of the Municipal Code.
- Public Hearing – RSG attends public hearings as needed to answer any questions that the public or Hearing Officers may have on our portion of the analysis.
- Settlement Agreement Analysis – RSG evaluates the rent differences between the terms proposed in the Settlement Agreement versus the MNOI Analysis as needed.

Mobilehome Park Rent Control Program Administration – City of Carson

Contact: Saied Naaseh, Director of Community Development
701 E. Carson Street
Carson, CA 90745
310.952.1770 / SNaaseh@carsonca.gov

Since 2017, RSG principal Tara Matthews has served as the City of Carson's Interim Housing Program Manager. In this role, she administers the City's mobilehome park rent control program. The scope of services includes the following:

- Rent Increase Application Review and Processing – RSG reviews all applications submitted by park owners seeking either a capital improvement or a fair return rent increase. RSG ensures that each application is complete and adheres to the Program guidelines. This review includes closely evaluating each of the expenses submitted by the park owner to ensure that each reported expense is reasonable, accurate, and sufficiently documented. RSG's work includes frequent communication with park owners and residents, as well as collaboration with the City's legal counsel.
- Resident Noticing - Once an application is deemed complete, RSG prepares required noticing for the park residents and is available to answer any questions that the park residents may have. RSG is available for on-site visits as needed to allow park residents an opportunity to review the application and ask in-person questions.
- Park Inspections – The processing of each application requires an inspection of the mobilehome park which entails visually inspecting the condition of the park (Fair Return) or verifying the completion and quality of improvements to the park (Capital Improvement). The findings of the inspection are included in the staff report present to the Mobilehome Rental Review Board (“Board”). One of the City's contract inspectors accompanies RSG at these inspections to provide expertise on the park conditions and improvements.

- Public Hearing – RSG prepares the public hearing notices mailed to park residents. RSG also prepares the staff reports presented to the Board for consideration at the public hearings. Each staff report includes all material facts related to the application and outlines various rent increase options for the Board to consider. RSG attends all public hearings to present information to the Board and answer any questions posed by the Board.
- Staff Training – RSG created a manual and templates for staff to administer the annual CPI calculations.
- Point of Contact – RSG responds to general inquiries from park owners, park residents, and the general public regarding the City’s mobilehome park rent control program.

FEE ESTIMATE

Our services for this engagement would be charged on a time-and-materials basis. RSG proposes the below hourly rate schedule for these services.

Principal / Director	\$ 275
Senior Associate	\$ 200
Associate	\$ 185
Senior Analyst	\$ 150
Analyst	\$ 135
Research Assistant	\$ 125
Technician	\$ 80
Clerical	\$ 60
Reimbursable Expenses	Cost plus 10%

RSG does not charge clients for travel or mileage (except direct costs related to field work/surveys), parking, standard telephone/fax expenses, general postage, or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs, and teleconferencing services. We also charge for copies of reports, documents, notices, and support material in excess of five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended and the hourly rate.

We appreciate the opportunity to provide these services to the City and should you have any questions, please contact Tara Matthews at 714.316.2111 or tmatthews@webrsg.com.

Thank you,

Tara E. Matthews
RSG, INC.