



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
September 6, 2022

TOPIC: First Amendment to Agreement with RSG, Inc.

AGENDA TITLE:

Approve a First Amendment to the Agreement with RSG, Inc. for the Administration, Management and Implementation of the Rent Stabilization and Just Cause Eviction Ordinances on an As-Needed Basis in an Amount not to exceed \$500,000

RECOMMENDED ACTION

1. Authorize the City Manager to execute a First Amendment to the Agreement with RSG, Inc., for the administration, management and implementation of the Rent Stabilization and Just Cause Eviction Ordinances, for a one-year term beginning on September 6, 2022, in a total amount not to exceed \$500,000, subject to non-substantive changes approved by the City Manager and City Attorney.
2. Authorize the City Manager to reallocate up to \$500,000 from the Revive Santa Ana Spending Plan to pay for the administration, management and implementation of the Rent Stabilization and Just Cause Eviction Ordinances that will be provided by RSG, Inc.

DISCUSSION

On September 21, 2021, the City Council authorized the City Manager to reallocate up to \$300,000 from the Revive Santa Ana Spending Plan to create an Eviction Defense Fund by entering into an Agreement with a consultant for the administration, management and implementation of the Rent Stabilization and Just Cause Eviction Ordinances. At this same meeting, the City Council also adopted a Resolution (No. 2021-054) that directed staff to "conduct further study of the additional regulatory framework and infrastructure necessary to implement residential rent stabilization, just cause eviction, and other protections for Santa Ana residents facing housing instability. These measures are to include the creation and operation of a Rent Board or similar body, a rental registry, and the related costs thereof."

On October 19, 2021, the City Council adopted the Rent Stabilization Ordinance ("RSO") (Ord. No. NS-3009) and the Just Cause Eviction Ordinance ("JCEO") (Ord. No. NS-3010).

These two ordinances became effective November 19, 2021. The City's RSO limits rent increases to a maximum of 3%, or 80% of Consumer Price Index, whichever is less, per year for certain residential rental units and mobilehome spaces in the City. The City's JCEO provides "just cause" eviction protections for most tenants that continuously and lawfully occupy a residential real property or mobilehome space for at least 30 days. The JCEO also defines what causes are allowable for a landlord to seek eviction of a tenant.

Following the City Council actions on September 21, 2021 and October 19, 2021, staff executed an Agreement with RSG, Inc. ("RSG") on October 28, 2021 for a one-year term in a total amount not to exceed \$300,000 to administer the City's Rent Stabilization and Just Cause Eviction Ordinances, to further study the additional regulatory framework and infrastructure, and to provide general consulting services. As part of the initial and general implementation of the City's Ordinances, RSG has been providing the following services:

- Creation and dissemination of informational materials.
- Development and coordination of webinars for landlords and tenants.
- Creation of landlord to tenant required notices in multiple languages.
- Responding to general public information inquiries.
- Coordination of on-site meetings with residents regarding RSO and JCEO questions.
- Referrals for tenant legal matters and interpretation questions to community legal aid organizations, as needed.
- Creation of the Fair Return Petition application and review process.
- Review of Fair Return Petitions.
- Outreach and education including periodically mailed communication, workshops, and website updates.
- Creation and continued revisions to the Frequently Asked Questions document available on the City's website.
- Development of training materials for new City staff.
- Resident referrals to other City departments for assistance with emergency housing needs.

As of July 2022, RSG has assisted over 2,500 tenants and landlords since the two Ordinances were adopted. Flyers, frequently asked questions, and press releases have been circulated to the community. The City also regularly updates a website devoted to the ordinances, which includes related documents and announcements (www.santa-ana.org/renterprotections). During the contract period, staff and RSG fielded calls from the public and provided information and education to renters and landlords on the City's RSO and JCEO. A breakdown of the number of inquiries is as follows:

Month	# of Inquiries
October 2021	34
November 2021	231
December 2021	215

January 2022	215
February 2022	203
March 2022	332
April 2022	161
May 2022	174
June 2022	111
July 2022	94
Total	1,770

RSG also worked with the City to announce the amount of allowable rent increase to be effective as of September 1, 2022. Staff and RSG informed the public of programmatic updates via Nixle, social media, newsletters, and email distribution lists. A breakdown of the means of outreach is as follows:

Platform	Individuals Reached
Nixle	12,576
Facebook	7,816
Instagram	4,551
Twitter	337
Nextdoor	916
Total	26,196

The City, in collaboration with RSG, have also conducted the following community workshops to provide a general overview of the Ordinances:

Date	# of Attendees
November 17, 2021	34
December 8, 2021	55
December 22, 2021	44
January 11, 2022	38
January 25, 2022	19
February 23, 2022	17
April 29, 2022	66
July 20, 2022	26
August 11, 2022	63
August 25, 2022	50
Total	412

The City Requires that when changing the terms of a tenancy, an owner must submit proof of service to the City as evidence that the owner has complied with noticing requirements. RSG has assisted with the documentation of the following notices:

Month	# of Notices
February 2022	8
March 2022	13
April 2022	13
May 2022	117
June 2022	91
July 2022	51
Total	293

In order to conduct the further study as directed by the Resolution adopted on September 21, 2021, RSG also completed the following tasks:

1. Developed a comprehensive list of California jurisdictions with RSOs and/or JCEOs;
2. Researched and analyzed existing RSO and JCEO programs and best practices in selected jurisdictions; and
3. Provided recommendations for the City's long-term implementation of the ordinances.

Following this research and study, a Long-Term Implementation Plan for the City's Rent Stabilization and Just Cause Eviction Ordinances is being recommended to the City Council in a separate Staff Report and action. Either way, if City Council adopts or does not adopt the Long-Term Implementation Plan in the separate Staff Report and action, staff will still require the consultation services of RSG for the administration, management and implementation of the City's Rent Stabilization and Just Cause Eviction Ordinances. Therefore, staff recommends that the City Council approve a First Amendment to the Agreement with RSG for a one-year term beginning on September 6, 2022 in a total amount not to exceed \$500,000 (Exhibit 1). To pay for this Agreement, staff is also recommending that the City Council reallocate \$500,000 in the Revive Santa Ana Spending Plan to pay for the services that will be provided through this Agreement with RSG. The funds will be reallocated from the Resident Direct Assistance Program for this Agreement.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with this action.

FISCAL IMPACT

Reallocation of up to \$500,000 in Revive Santa Ana Spending Plan to enter into a First Amendment to the Agreement with RSG, Inc. for the administration, management and implementation of Rent Stabilization and Just Cause Eviction Ordinances. Funds will be available in Accounting Unit 18118013-62300. There is \$2.9M available to be carried forward from FY 21-22.

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EXHIBIT(S)

1. First Amendment to Agreement with RSG, Inc.

Submitted By: Steven Mendoza, Assistant City Manager

Approved By: Kristine Ridge, City Manager