

11. Agreement with RSG, Inc. for Contract Staffing to Support the Rent Stabilization and Just Cause Eviction Program (Non-General Fund)

Department(s):

Recommended Action: Authorize the City Manager to execute Agreement with RSG, Inc. to provide contract staffing for the Rent Stabilization and Just Cause Eviction Program for a two-year term, with provisions for up to two, one-year extensions, in a total amount not to exceed \$800,000 (Agreement No. A-2024-XXX).



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
October 1, 2024

TOPIC: Contract Staffing Support for the Rent Stabilization and Just Cause Eviction Program

AGENDA TITLE

Agreement with RSG, Inc. for Contract Staffing to Support the Rent Stabilization and Just Cause Eviction Program (Non-General Fund)

RECOMMENDED ACTION

Authorize the City Manager to execute Agreement with RSG, Inc. to provide contract staffing for the Rent Stabilization and Just Cause Eviction Program for a two-year term, with provisions for up to two, one-year extensions, in a total amount not to exceed \$800,000 (Agreement No. A-2024-XXX).

GOVERNMENT CODE §84308 APPLIES: Yes

DISCUSSION

The City began using RSG to augment City staffing for the Rent Stabilization Program since its implementation on October 28, 2021. The City has extended their services three times, per the following Table.

Date	Consultant Name	Term	Amount
October 28, 2021	RSG, Inc.	Original Agreement	\$ 300,000
September 6, 2022	RSG, Inc.	First Amendment	\$ 500,000
November 7, 2023	RSG, Inc.	Second Amendment	\$ 500,000
Total:			\$1,300,000

Staff desires to continue their services to provide consistent staffing for a hybrid model that the City has been operating under to help bridge services in the administration of the Rent Stabilization Program.

Staff recommends that the City Council approve a two-year agreement with RSG, with an option for the City to extend the agreement for up to two additional one-year terms. The current agreement terminated on September 6, 2024, and the new service agreement, effective October 1, 2024, will have a total not-to-exceed amount of

Contract Staffing Support for the Rent Stabilization and Just Cause Eviction Program

October 1, 2024

Page 2

\$800,000, inclusive of retroactive payments for services rendered since September 7, 2024 (as detailed in Exhibit 1).

Under this agreement, RSG will continue to assist the City administer the Ordinance by providing the following services:

- Provide temporary staffing to respond to public inquiries.
- Support staff with the Rental Registry and property exemptions.
- Review and process Fair Return Petitions, Capital Improvement Petitions, and written evaluations.
- Support City staff with review and process of Tenant Petitions.
- Provide support with Petition Hearings.
- Assist the City Clerk and staff with the formation of the Rental Housing Board, including Board member trainings, orientations, and materials.
- Provide new and temporary staff training, including training materials.
- Refer tenant legal matters and interpretation questions to community legal aid organizations, as needed.
- Conduct research on best practices and surveys.
- Provide advisory services.

FISCAL IMPACT

Funds are budgeted and available in the following account for the current fiscal year and will be budgeted in future fiscal years:

Fiscal Year	Accounting Unit-Account	Fund Description	Accounting Unit, Account Description	Amount
FY 24-25	18518700-62300	Rent Stabilization	Rent Stabilization, Contract Services - Professional	400,000
FY 25-26	18518700-62300	Rent Stabilization	Rent Stabilization, Contract Services - Professional	400,000
Total Expenditures				\$800,000

EXHIBIT(S)

1. Agreement with RSG, Inc.

Submitted By: Michael L. Garcia, Executive Director of Community Development

Approved By: Alvaro Nuñez, City Manager

**AGREEMENT TO IMPLEMENT THE RENT STABILIZATION AND JUST CAUSE
EVICTION ORDINANCE BETWEEN RSG, INC. AND
CITY OF SANTA ANA**

THIS AGREEMENT is made and entered into on this 1st day of October 2024 by and between RSG, Inc., ("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 City desires to retain a Consultant having special skill and knowledge in the field of facilitating the administration and implementation of the City's Rent Stabilization and Just Cause Eviction Ordinance, provide training to the Rent Stabilization Division, and assist with community outreach and engagement.
- B. City previously entered into Agreement #A-2021-192-01 with Consultant for said services. City desires to re-engage Consultant and City staff confirmed that said engagement is consistent with City purchasing policies. Consultant represents that Consultant is able and willing to provide such services to the City.
- C. In undertaking the performance of this Agreement, Consultant represents that it is knowledgeable in its field and that any services performed by Consultant under this Agreement will be performed in compliance with such standards as may reasonably be expected from a professional consulting firm in the field.

NOW THEREFORE, in consideration of the mutual and respective promises, and subject to the terms and conditions hereinafter set forth, the parties agree as follows:

1. SCOPE OF SERVICES

Consultant shall perform during the term of this Agreement, the tasks and obligations including all labor, materials, tools, equipment, and incidental customary work required to fully and adequately complete the services described and set forth in **Scope of Services and Fee Schedule - Exhibit A**, attached hereto and incorporated by reference.

2. COMPENSATION

- a. City agrees to pay, and Consultant agrees to accept as total payment for its services for City, the rates and charges identified in **Scope of Services and Fee Schedule - Exhibit A**. The total amount to be expended during the term of this Agreement shall not exceed \$800,000. City shall recognize and compensate Consultant for services rendered from September 7, 2024 through the effective date of the Agreement, detailed above.
- b. Payment by City shall be made within forty-five (45) days following receipt of proper invoice evidencing work performed, subject to City accounting procedures. City and Consultant agree that all payments due and owing under this Agreement shall be made

through Automated Clearing House (ACH) transfers. Consultant agrees to execute the City's standard ACH Vendor Payment Authorization and provide required documentation. Upon verification of the data provided, the City will be authorized to deposit payments directly into Consultant's account(s) with financial institutions. Payment need not be made for work which fails to meet the standards of performance set forth in the Recitals which may reasonably be expected by City.

3. TERM

This Agreement shall commence on the date first written above for a two (2) year term, with the option for the City to grant up to two 1-year renewals, exercisable by a writing by the City Manager and the City Attorney, unless terminated earlier in accordance with Section 15, below.

4. INDEPENDENT CONTRACTOR

Consultant shall, during the entire term of this Agreement, be construed to be an independent Contractor and not an employee of the City. This Agreement is not intended nor shall it be construed to create an employer-employee relationship, a joint venture relationship, or to allow the City to exercise discretion or control over the professional manner in which Consultant performs the services which are the subject matter of this Agreement; however, the services to be provided by Consultant shall be provided in a manner consistent with all applicable standards and regulations governing such services. Consultant shall pay all salaries and wages, employer's social security taxes, unemployment insurance and similar taxes relating to employees and shall be responsible for all applicable withholding taxes.

5. OWNERSHIP OF MATERIALS

This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subcontractors to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were provided to Consultant by the City. City shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City's sole risk.

6. INSURANCE

Prior to undertaking performance of work under this Agreement, Consultant shall maintain and shall require any subcontractors to obtain and maintain insurance as described below for the entire Term of this Agreement against claims for injuries to persons or damage to property which

may arise from or in connection with services, products and materials supplied to City. Total cost of such insurance shall be borne by Consultant.

a. MINIMUM SCOPE AND LIMIT OF INSURANCE Coverage shall be at least as broad as:

1. *Commercial General Liability (CGL)*: Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence and \$2,000,000 aggregate. Required policy limits can be met with primary and umbrella/excess insurance policies.
2. *Automobile Liability*: Insurance Services Office Form Number CA 00 01 covering, Code 1 (any auto), with limits no less than \$1,000,000 combined single limits. In the event Consultant does not maintain commercial automobile liability insurance, City will accept evidence of personal automobile insurance.
3. *Workers' Compensation*: insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident, policy or employee, for bodily injury or disease. Coverage is not required if Consultant has no employees and signs request to waive such insurance.
4. *Professional Liability (Errors and Omissions)*: insurance appropriate to the Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

b. *Other Insurance Provisions* – The above required insurance policies are to contain, or be endorsed to contain, the following provisions:

1. City, its City Council, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds, under Consultant's CGL, Professional Liability, and Automobile Liability policies, with respect to any liability arising out of work or operations performed by or on behalf of the Instructor including materials, parts, equipment, and personnel furnished in connection with such work or operations.
2. Consultant's Insurance company(ies) agrees to waive all rights of subrogation against City, its City Council, its officers, officials, employees, agents, and volunteers for losses paid under the terms of any policy which arise from work performed by Consultant under this Agreement.
3. For any claims related to this contract, Consultant's insurance coverage shall be primary and any insurance maintained by City, its City Council, its officers, officials, employees, agents, or volunteers shall not contribute with it.

4. A severability of interest provision must apply for all the additional insureds, ensuring that Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the insurer's limits of liability.
 5. Insurance policies required herein shall provide that coverage shall not be canceled, suspended, voided, reduced in coverage or in limits, non-renewed by the carrier, or materially changed except after thirty (30) days prior written notice has been given to City. Ten (10) days prior written notice shall be provided to City for policy cancellation or non-renewal due to non-payment of premium.
 6. Certificate Holder on each Evidence of Insurance certificate shall be: City of Santa Ana, Attention: Community Development Agency, Executive Director, 20 Civic Center Plaza M-25, Santa Ana, CA 92701. The name and location of project must be included in the Description of Operations section of each certificate.
- c. *Self-Insured Retentions:* Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
 - d. *Acceptability of Insurers:* Insurance is to be placed with insurers authorized to conduct business in the State of California with a current A.M. Best rating of no less than A:VII, unless otherwise acceptable to City.
 - e. *Verification of Coverage:* Consultant shall furnish the City with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to City before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
 - f. *Special Risks or Circumstances:* City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

7. INDEMNIFICATION

Consultant agrees to defend, and shall indemnify and hold harmless the City, its officers, agents, employees, contractors, special counsel, and representatives from liability: (1) for personal injury, damages, just compensation, restitution, judicial or equitable relief arising out of claims for personal injury, including death, and claims for property damage, which may arise from the negligent operations of the Consultant, its subcontractors, agents, employees, or other persons acting on its behalf which relates to the services described in section 1 of this Agreement; and (2) from any claim that personal injury, damages, just compensation, restitution, judicial or equitable relief is due by reason of the terms of or effects arising from this Agreement. This indemnity and

hold harmless agreement applies to all claims for damages, just compensation, restitution, judicial or equitable relief suffered, or alleged to have been suffered, by reason of the events referred to in this Section or by reason of the terms of, or effects, arising from this Agreement. The Consultant further agrees to indemnify, hold harmless, and pay all costs for the defense of the City, including fees and costs for special counsel to be selected by the City, regarding any action by a third party challenging the validity of this Agreement, or asserting that personal injury, damages, just compensation, restitution, judicial or equitable relief due to personal or property rights arises by reason of the terms of, or effects arising from this Agreement. City may make all reasonable decisions with respect to its representation in any legal proceeding. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

8. INTELLECTUAL PROPERTY INDEMNIFICATION

Consultant shall defend and indemnify the City, its officers, agents, representatives, and employees against any and all liability, including costs, for infringement of any United States' letters patent, trademark, or copyright infringement, including costs, contained in the work product or documents provided by Consultant to the City pursuant to this Agreement.

9. RECORDS

Consultant shall keep records and invoices in connection with the work to be performed under this Agreement. Consultant shall maintain complete and accurate records with respect to the costs incurred under this Agreement and any services, expenditures, and disbursements charged to the City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such records and invoices shall be clearly identifiable. Consultant shall allow a representative of the City to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement during regular business hours. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement for a period of three (3) years from the date of final payment to Consultant under this Agreement.

10. CONFIDENTIALITY

If Consultant receives from the City information which due to the nature of such information is reasonably understood to be confidential and/or proprietary, Consultant agrees that it shall not use or disclose such information except in the performance of this Agreement, and further agrees to exercise the same degree of care it uses to protect its own information of like importance, but in no event less than reasonable care. "Confidential Information" shall include all nonpublic information. Confidential information includes not only written information, but also information transferred orally, visually, electronically, or by other means. Confidential information disclosed to either party by any subsidiary and/or agent of the other party is covered by this Agreement. The foregoing obligations of non-use and nondisclosure shall not apply to any information that (a) has been disclosed in publicly available sources; (b) is, through no fault of the Consultant disclosed in a publicly available source; (c) is in rightful possession of the Consultant

without an obligation of confidentiality; (d) is required to be disclosed by operation of law; or (e) is independently developed by the Consultant without reference to information disclosed by the City.

11. CONFLICT OF INTEREST CLAUSE

Consultant covenants that it presently has no interests and shall not have interests, direct or indirect, which would conflict in any manner with performance of services specified under this Agreement.

12. NON-DISCRIMINATION

Consultant shall not discriminate because of race, color, creed, religion, sex, marital status, sexual orientation, gender identity, gender expression, gender, medical conditions, genetic information, or military and veteran status, age, national origin, ancestry, or disability, as defined and prohibited by applicable law, in the recruitment, selection, teaching, training, utilization, promotion, termination or other employment related activities or any services provided under this Agreement. Consultant affirms that it is an equal opportunity employer and shall comply with all applicable federal, state and local laws and regulations.

13. EXCLUSIVITY AND AMENDMENT

This Agreement represents the complete and exclusive statement between the City and Consultant, and supersedes any and all other agreements, oral or written, between the parties. In the event of a conflict between the terms of this Agreement and any attachments hereto, the terms of this Agreement shall prevail. This Agreement may not be modified except by written instrument signed by the City and by an authorized representative of Consultant. The parties agree that any terms or conditions of any purchase order or other instrument that are inconsistent with, or in addition to, the terms and conditions hereof, shall not bind or obligate Consultant or the City. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein.

14. ASSIGNMENT

Inasmuch as this Agreement is intended to secure the specialized services of Consultant, Consultant may not assign, transfer, delegate, or subcontract any interest herein without the prior written consent of the City and any such assignment, transfer, delegation or subcontract without the City's prior written consent shall be considered null and void. Nothing in this Agreement shall be construed to limit the City's ability to have any of the services which are the subject to this Agreement performed by City personnel or by other Consultants retained by City.

15. TERMINATION

This Agreement may be terminated by the City upon thirty (30) days written notice of termination. In such event, Consultant shall be entitled to receive and the City shall pay Consultant

compensation for all services performed by Consultant prior to receipt of such notice of termination, subject to the following conditions:

- a. As a condition of such payment, the Executive Director may require Consultant to deliver to the City all work product(s) completed as of such date, and in such case such work product shall be the property of the City unless prohibited by law, and Consultant consents to the City's use thereof for such purposes as the City deems appropriate.
- b. Payment need not be made for work which fails to meet the standard of performance specified in the Recitals of this Agreement.

16. WAIVER

No waiver of breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right or remedy. No waiver of any breach, failure or right, or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

17. JURISDICTION - VENUE

This Agreement has been executed and delivered in the State of California and the validity, interpretation, performance, and enforcement of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California. Both parties further agree that Orange County, California, shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

18. PROFESSIONAL LICENSES

Consultant shall, throughout the term of this Agreement, maintain all necessary licenses, permits, approvals, waivers, and exemptions necessary for the provision of the services hereunder and required by the laws and regulations of the United States, the State of California, the City of Santa Ana and all other governmental agencies. Consultant shall notify the City immediately and in writing of its inability to obtain or maintain such permits, licenses, approvals, waivers, and exemptions. Said inability shall be cause for termination of this Agreement.

19. NOTICE

Any notice, tender, demand, delivery, or other communication pursuant to this Agreement shall be in writing and shall be deemed to be properly given if delivered in person or mailed by first class or certified mail, postage prepaid, or sent by fax or other telegraphic communication in the manner provided in this Section, to the following persons:

To City:

City Clerk
City of Santa Ana
20 Civic Center Plaza (M-30)
P.O. Box 1988
Santa Ana, CA 92702-1988
Fax: 714- 647-6956

With courtesy copies to:

Executive Director,
Community Development Agency
City of Santa Ana
20 Civic Center Plaza (M-25)
P.O. Box 1988
Santa Ana, California 92702
Fax: 714-647-6956

To Consultant:

Attn: Tara E. Matthews
Principal
RSG, Inc.
170 Eucalyptus Avenue, Suite 200
Vista, CA, 92084

A party may change its address by giving notice in writing to the other party. Thereafter, any communication shall be addressed and transmitted to the new address. If sent by mail, communication shall be effective or deemed to have been given three (3) days after it has been deposited in the United States mail, duly registered or certified, with postage prepaid, and addressed as set forth above. If sent by fax, communication shall be effective or deemed to have been given twenty-four (24) hours after the time set forth on the transmission report issued by the transmitting facsimile machine, addressed as set forth above. For purposes of calculating these time frames, weekends, federal, state, County or City holidays shall be excluded.

20. MISCELLANEOUS PROVISIONS

- a. Each undersigned represents and warrants that its signature herein below has the power, authority and right to bind their respective parties to each of the terms of this Agreement, and shall indemnify City fully, including reasonable costs and attorney's fees, for any injuries or damages to City in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.
- b. All Exhibits referenced herein and attached hereto shall be incorporated as if fully set forth in the body of this Agreement.

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

ATTEST:

CITY OF SANTA ANA

Jennifer L. Hall
City Clerk

Alvaro Nuñez
City Manager

APPROVED AS TO FORM:

SONIA R. CARVALHO
City Attorney

CONSULTANT:

By: Andrea Garcia-Miller
Andrea Garcia-Miller
Assistant City Attorney

Tara G. Matthews
Name: Tara Matthews
Title: Principal

RECOMMENDED FOR APPROVAL:

Michael L. Garcia
Michael L. Garcia
Executive Director
Community Development Agency

EXHIBIT A

SCOPE OF SERVICES AND FEE SCHEDULE



Via Email

May 22, 2024

Maricela Marquez, Rent Stabilization 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, 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 Ordinance (“Ordinance”). It is our understanding that the City is seeking a consultant to provide administrative services for the City’s Just Cause Eviction and Rent Stabilization Ordinance. In the next year, the City will be hiring additional program staff to staff the new Rent Stabilization Division and we understand that RSG will help with training, implementation of the Ordinance, Rental Review Board training, rental registration, and community outreach and engagement. 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:

Implementation

RSG is available to assist the City in the continued launch of the City’s Ordinance, and to respond to public inquiries as needed. It should be noted that RSG only has Spanish speakers on staff and would need to work with the City to identify other translation services needed. We would work closely with the contacts that the City already has.

- **Content Creation** – RSG can prepare ongoing program information for property owners and tenants, including:
 - maximum allowable rent increase, and
 - letters to rental property owners.
- **Workshops/Webinars** - RSG can conduct up to two (2) workshops per month after the introduction of any new provision to the ordinances. 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 Ordinance, 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 Ordinance.

Ongoing Administration

RSG is available to administer the City’s Ordinance on an ongoing basis, and continue to respond to public inquiries as needed, including:

SAN DIEGO • LOS ANGELES • OAKLAND

170 Eucalyptus Ave., Suite 200, Vista, CA 92084 | 714.541.4585 | rsgsolutions.com

- **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.
- **Fair Return Petition Review** – If a property owner/landlord believes the annual RSO rent increase does not allow for a sufficient fair return on investment, they may file a petition for a fair return increase that may allow for an adjustment above the 3% or CPI calculation. This process requires reviewing income and expense information and performing a maintenance of net operating income analysis.
 - Petition Review – Based on the need for the City, RSG is available to review or provide support to City staff as needed for reviewing the Petition to ensure that it is complete and adheres with the RSO requirements, that all claimed expenses are eligible operating expenses, and that property revenues are verified. Petition Review also includes preparing correspondence to the applicant informing them if their Petition has been deemed complete or insufficient. If the Petition is incomplete, RSG will support City staff as needed with informing the applicant of any deficiencies with sufficient detail and provide them an opportunity to submit additional information. RSG anticipates that the City will be responsible for all mailings.
 - Net Operating Income ("NOI") Analysis – RSG will support City staff as needed with using a Maintenance of Net Operating Income ("MNOI") methodology for determining fair and reasonable rent. The MNOI method is a recognized and accepted practice used in other jurisdictions for evaluating fair return increases under rent stabilization. RSG will support City staff with calculating a base year NOI for a property prior to adoption of the RSO, using actual historical revenue and expenses for that property, collected through the Petition process. City staff will provide the analysis to the City for review so the City Manager or designee can decide on the allowable rent increase amount. RSG will also support City staff with evaluating all the other factors that may be considered by the City Manager as part of the rent increase as detailed in the RSO Section 8-1998.3(c).
 - Written Evaluation – Based on the need for the City, City staff or RSG will prepare a written evaluation of the materials submitted by the applicant and residents. The written evaluation will include a description of the various rent increase factors and the proposed allowable rents under each method.
- **Capital Improvement Petition** – Based on the need for the City, RSG is available or will provide support to City staff as needed for ensuring that all capital improvements meet the definitions detailed in the Ordinance. Determination of allowable capital improvement increases are based on amortization schedules and any relevant factors affecting amortization, such as the quality of the improvement and external factors that affect its longevity. The calculation of the allowable rent increase is based on the total improvement costs plus interest divided by amortization period (number of years) and then divided by 12 to reflect the monthly payment.
 - Petition Review – RSG will support City staff as needed with reviewing the Application to ensure that it is complete and adheres to the Ordinance requirements. City staff or RSG will also confirm that all claimed expenses are eligible capital expenses. Review also includes preparing correspondence to the applicant informing them if their petition has been deemed complete or insufficient. If the Application is incomplete, RSG will support City staff as needed with informing the applicant of any deficiencies with sufficient detail and provide them an opportunity to submit additional information. RSG anticipates that the City will be responsible for all mailings.

- **Written Evaluation** – Based on the need for the City, City staff or RSG will prepare a written evaluation of the materials submitted by the applicant and residents. The written evaluation will include a description of the capital improvements and the proposed pass-through amount. The purpose of the written evaluation is to assist the Hearing Officer or the Rental Review Board in coming to a determination.
- **Tenant Petition** – A tenant may file a petition with the City if they believe the property owner/landlord is in violation of the Ordinance.
 - **Review** – Based on the need for the City, RSG is available to review or provide support to City staff as needed for reviewing the Petition for completeness and correspond with tenant as to whether it is accepted and the time of the hearing.
 - **Coordination** – RSG will coordinate with City staff and the Hearing Officer on any petition items.
- **Petition Hearings** – RSG will be available to attend any Hearings to answer any questions that the public, Hearing Officers, or Rental Review Board may have on our portion of the analysis. This includes time for hearing preparation and any required briefings by legal counsel prior to the Hearing(s). We understand that there is the possibility of more than one Hearing.
- **Tenant Complaints** – RSG will provide information to tenants regarding the provisions of the Ordinance 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.
- **Staff Training** – RSG understands that all or a portion of the services will be on an interim basis until such time as City staff, the Rental Housing Board, or another designated party, is ready to assume responsibility for implementation. RSG is available to prepare training materials and support as needed for use for program implementation.

Advisory Services

RSG understands that the City may from time to time like to continue to evaluate potential improvements to the Ordinance. 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 can attend and participate in City Council and Staff meetings, as requested. We are also available to conduct surveys or other forms of 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 Ordinance.

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, Sara Court, Associate, Jill Glickman, Analyst, and Brice Wildemuth, Analyst, who all have previous experience with rent stabilization ordinances. Other RSG staff may be assigned as needed. Resumes of staff are available at www.rsgsolutions.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
 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.

Rent Stabilization Program Strategic Plan – City of San Jose

Contact: Rachel VanderVeen, Deputy Director
200 E. Santa Clara Street, 14th Floor
San Jose, CA 95113
408.535.8231 / rachel.vanderveen@sanjoseca.gov

In 2022, San Jose embarked on a process to evaluate their current Rent Stabilization Program which includes a 1) Tenant Protection Ordinance, 2) Apartment Rent Ordinance, 3) Ellis Act Ordinance, 4) Mobilehome Rental Ordinance, and 5) Housing Payment Equality Ordinance. RSG is currently preparing a data driven 3-year Strategic Plan that sets goals, identifies metrics, and clearly demonstrates whether the Rent Stabilization Program is meeting the intended purpose. The Strategic Plan will be used to report out on Program effectiveness and to make policy recommendations.

Review of Mobilehome Rent Review Application – City of Escondido

Contact: Holly Nelson, Housing & Neighborhood Services Manager
201 N. Broadway
Escondido, CA 92025
760.839.6203 / hnelson@escondido.org

RSG was hired by the City of Escondido in 2022 to assist with the review of a Mobilehome Rent Review Application submitted by the Eastwood Meadows Mobilehome Park. The scope includes reviewing written submissions provided by the park owner and park residents and preparing a report for the rental review board to inform their decision to grant a rent increase. Escondido considered three different types of rent increases that RSG evaluated: Maintenance of Net Operating Income (MNOI), Gross Profits Maintenance Analysis (GPM), and changes in Consumer Price Index (CPI).

Mobilehome Park Rent Control Review – City of Palmdale

Contact: Sophia Reyes, Housing Manager
38300 Sierra Highway
Palmdale, CA 93550
661.267.5100 / SReyes@cityofpalmdale.org

In 2022, RSG was hired by the City of Palmdale to review 2021 mobilehome registration documentation submitted by park owners, review rent rolls and related documents, prepare a letter detailing any instances in which the park owner charged excessive rent (if applicable), and prepare a letter approving the implementation of a 2022 Permissive Rent Increase under the City’s ordinance. RSG also reviewed the City’s mobilehome ordinance, policies, and program documents to create a checklist of the annual registration documentation required.

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

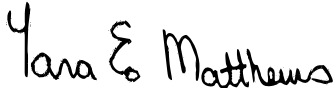
Associate	\$ 185
Senior Analyst	\$ 150
Analyst	\$ 135
Research Assistant	\$ 125
Technician	\$ 100
Clerical	\$ 60
Reimbursable Expenses	Cost plus 10%

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@rsgsolutions.com.

Thank you,

A handwritten signature in black ink that reads "Tara E. Matthews". The signature is written in a cursive, flowing style.

Tara E. Matthews
RSG, Inc.



CERTIFICATE OF LIABILITY INSURANCE

EXHIBIT 1

DATE (MM/DD/YYYY)

08/13/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER The Empire Company 550 North Park Center Drive Suite 205 Santa Ana CA 92705	CONTACT NAME: Erica Hornaday PHONE (A/C No, Ext): E-MAIL ADDRESS: ehornaday@empire-co.com INSURER(S) AFFORDING COVERAGE INSURER A: Sentinel Insurance Company, LTD INSURER B: Trumbull Insurance Company INSURER C: Navigators Specialty Insurance Company INSURER D: INSURER E: INSURER F:	NAIC # 11000 27120 36056
---	--	--

COVERAGES**CERTIFICATE NUMBER:** 24/25 Master**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	Y	72SBAAQ7019	01/01/2024	01/01/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			72SBAAQ7019	01/01/2024	01/01/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			72SBAAQ7019	01/01/2024	01/01/2025	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N Y	N/A	72WECVK8727	01/01/2024	01/01/2025	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Errors & Omissions Claims Made			CH24MPLX00580NC	01/01/2024	01/01/2025	AGGREGATE LIMIT 4,000,000 EACH CLAIM 2,000,000 DEDUCTIBLE 10,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: RFQ No. 21-107 Affordable Housing Financial, Analytical And Advisory Services - Evidence of Renewal of Insurance applies to agreement dated 9/6/2024.

City of Santa Ana, its officers, officials, employees, and volunteers are named as additional insured on this policy pursuant to written contract, agreement, or memorandum of understanding. Such insurance as is afforded by this policy shall be primary, and any insurance carried by City shall be excess and non-contributory under the General Liability, where required by written contract, per form (SS 00 08 04 05) and (SS 00 08 04 05). General Liability is Primary and Non-Contributory per form (SS 00 08 04 05). General Liability and Worker's Compensation Waiver of Subrogation per forms (SS 00 08 04 05) and (WC 04 03 06).

CERTIFICATE HOLDER**CANCELLATION**

City of Santa Ana Risk Management Division 20 Civic Center Plaza (M-28) Santa Ana CA 92702	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Erica Hornaday</i>
---	--

© 1988-2015 ACORD CORPORATION. All rights reserved.

ACORD 25 (2016/03)

The ACORD name and logo are registered marks of ACORD

Risk Management Division
Reviewed and Approved by:
Artis Koushal
Risk Manager