



Office of the Mayor

**32**

CONSENT CALENDAR  
July 23, 2019

To: Honorable Members of the City Council

From: Mayor Jesse Arreguín

Subject: Authorizing Transfer of Funds to Rent Board for Eviction Defense Contracts

RECOMMENDATION

Adopt a Resolution authorizing the transfer of \$550,000 for Fiscal Years 2020 and 2021 to the Rent Stabilization Board to amend its contracts with the Eviction Defense Center and East Bay Community Law Center to provide eviction defense and various other anti-displacement services to low and moderate-income Berkeley residents.

BACKGROUND

The unprecedented rental housing crisis has resulted in increased displacement and eviction of low-income residents in Berkeley. One of the priorities of the Rent Stabilization Board is to provide services to low-income households to prevent displacement.

At the June 25, 2019 Council Meeting, the FY 2020-21 Biennial Budget was approved, allocating \$900,000 each year for anti-displacement programs. Of this, \$550,000 will be used for eviction defense and housing counseling each year. Council initially authorized an annual funding of \$300,000 for this purpose for both the 2018 and 2019 Fiscal Years at its July 25, 2017 meeting. These funds were transferred to the Rent Board whose staff administered, monitored, and reported to Council regarding the program funding during those years.

When this item was initially considered in 2017, Council expressed interest in expanding the scope of services provided by Eviction Defense Center (EDC) and East Bay Community Law Center (EBCLC) under their existing Rent Board Contracts to provide counseling and advocacy to tenants seeking to avoid displacement by exercise of rights afforded by local law other than the Rent Ordinance. The funding provided by the Rent Board is not adequate to achieve the Council's objective of fully preventing displacement during the current housing emergency, when low and middle-income tenants are particularly vulnerable to displacement if not provided with sufficient and competent legal defense. There is also a need for additional funding to provide counseling and representation to tenants relating to city ordinances such as the Tenant Protection Ordinance and Tenant Buyout Ordinance. Council now sees fit to increase the funding to attempt to further curb the tide of displacement.

Both EDC and EBCLC have requested \$275,000 to cover this expanded scope of work to serve the broadest number of Berkeley tenants.

On June 20, 2017, by Resolution Nos. 19-14 and 19-15 the Rent Board authorized the Board's Executive Director to amend existing contracts with the EDC and the EBCLC through June 30, 2020. These contracts provide eviction defense services for very-low income Berkeley tenants in furtherance of the Board's mission of preserving diversity and prevent displacement of vulnerable tenants. The Rent Board agreed to amend its existing contracts with the EDC and EBCLC to incorporate Council's additional scope of work and additional funding during the 2018 and 2019 fiscal years and has indicated that it would be amenable to continuing this relationship. The Board will formally approve authorizing modification of its existing contracts with the EDC and the EBCLC to allow for the transfer of these Council funds for the 2020 and 2021 fiscal years at its July 18, 2019 meeting and will report to Council regarding this matter.

FINANCIAL IMPLICATIONS

\$550,000 annually from the General Fund appropriation for eviction defense approved on June 25, 2019. Funding will come from Measure U1 tax receipts.

ENVIRONMENTAL SUSTAINABILITY

No adverse effects to the environment.

CONTACT PERSON

Mayor Jesse Arreguín      510-981-7100

Attachments:

1: Resolution



RESOLUTION NO. ##,###-N.S.

CONTRACT NOS. 112505-1 AND 114171-1 AMENDMENTS: EVICTION DEFENSE CENTER AND EAST BAY COMMUNITY LAW CENTER; SUPPLEMENTAL FUNDING TO RENT BOARD

WHEREAS, the Costa-Hawkins Rental Housing Act passed by the state legislature in 1995 (and implemented in 1996) gave Berkeley landlords the ability to impose market rate rent increases for the overwhelming majority of new tenancies and an incentive to pursue pretextual evictions of tenants with below market rents; and

WHEREAS, due to market conditions Berkeley tenants have experienced unprecedented rent increases in recent years; and

WHEREAS, due to these substantial rent increases, many Berkeley tenants are unable to relocate in Berkeley or the central Bay Area if they are displaced by eviction; and

WHEREAS, effective administration of Berkeley's Rent Stabilization and Eviction for Good Cause Ordinance and advocacy surrounding the eviction protections listed therein have proven the most effective way to preserve affordable housing and prevent displacement that often leads to homelessness; and

WHEREAS, since the passage of Costa-Hawkins the Rent Board has funded eviction defense services for extremely low-income tenants; and

WHEREAS, Measure U1 provides annual funding to create and preserve Berkeley's affordable housing; and

WHEREAS, Council has determined it a priority to preserve affordable housing, so that more residents are not displaced from the city; and

WHEREAS, Council has heard testimony regarding the increasing vulnerability of low and moderate-income tenants (such as teachers, restaurant workers, and tradespeople) in today's unbalanced housing market; and

WHEREAS, Council has passed several Ordinances in recent years (including the Tenant Buy-Out Ordinance and Tenant Protection Ordinance [B.M.C. Chapter 13.79], Discrimination Based on Source of Income Prohibited [B.M.C. Chapter 13.31], and the Short-Term Rental Ordinance [B.M.C Chapter 23C.22]) to help preserve affordable housing and attempt to secure more universal tenant protections in addition to those already provided in the Rent Ordinance; and

WHEREAS, on June 25, 2019, Council set aside \$550,000 for eviction defense funding for fiscal years 2020 and 2021; and

WHEREAS, on June 20, 2019, by Resolution Nos. 19-14 and 19-15 the Rent Board authorized the Board's Executive Director to amend existing contracts with Collective Legal Services, dba the Eviction Defense Center (EDC) and the East Bay Community Law Center (EBCLC) through June 30, 2018, in an amount not to exceed \$150,000 for EDC and \$142,500 for EBCLC for services provided in the 2019/2020 Fiscal Year; and

WHEREAS, these contracts provide eviction defense services for very-low income Berkeley tenants in furtherance of the Board's mission of preserving diversity and prevent displacement of vulnerable tenants; and

WHEREAS, the Rent Board is unable to fund the EDC and EBCLC for work not directly related to eviction defense as defined by the eviction protections enumerated in the Rent Ordinance; and

WHEREAS, the funding provided by the Rent Board is not adequate to achieve the Council's objective of fully preventing displacement during the current housing emergency, when low and middle-income tenants are particularly vulnerable to displacement if not provided with sufficient and competent legal defense; and

WHEREAS, Council is informed that the Board and citizens of Berkeley have been extremely pleased with the excellent services provided by the EDC and EBCLC; and

WHEREAS, the emergent nature of the affordability crisis demands an immediate response and supplementing the Rent Board's contracts with these agencies is the fastest way to prevent further displacement; and

WHEREAS, Council wishes to expand the scope of services provided by EDC and EBCLC under their existing Rent Board Contracts to provide counseling and advocacy to tenants seeking to avoid displacement by exercise of rights afforded by local law other than the Rent Ordinance; and

WHEREAS, Council seeks to fund these additional services in an amount not to exceed \$275,000 per agency per fiscal year and not to exceed the amount necessary to provide these services to Berkeley tenants; and

WHEREAS, the Rent Board has agreed to amend its existing contracts with the EDC and EBCLC to incorporate Council's additional scope of work and additional funding as detailed above; and

WHEREAS, it will be more efficient to have the EDC and EBCLC report to the Rent Board under the existing format of the current contracts;

NOW, THEREFORE BE IT RESOLVED, that the Berkeley City Council authorizes transfer of \$550,000 for Fiscal Years 2020 and 2021, as appropriated in the Fiscal Year 2020 and 2021 Biennial Budget, to the Berkeley Rent Board to amend its existing contracts with EDC and EBCLC to provide the services detailed above; and

BE IT FURTHER RESOLVED, that Council specifically authorizes the use of these funds to provide eviction defense services for extremely low, very-low, low or moderate-income Berkeley tenants and to help provide counseling and advocacy to tenants seeking to avoid displacement; and

BE IT FURTHER RESOLVED, that the City Manager is authorized to work with the Rent Board to articulate a scope of services being provided from each source of funding; and

BE IT FURTHER RESOLVED, that the Rent Board shall submit reports to the City Council on a semi-annual basis articulating the number of Berkeley residents served and the outcomes; and

BE IT FURTHER AND FINALLY RESOLVED, that EDC and EBCLC shall continue to report to the Rent Board regarding outcome objectives under the existing contracts and shall provide Council with periodic updates regarding the expanded scope of services upon request.