



Rent Stabilization Board
Office of the Executive Director

DATE: July 17, 2017

TO: Honorable Members of the Rent Stabilization Board

FROM: Jay Kelekian, Executive Director

SUBJECT: Recommendation to adopt Resolution 17-17 authorizing the Executive Director to amend contracts with the Eviction Defense Center and the East Bay Community Law Center in an amount not to exceed the amount allocated by City Council for Fiscal Year 2018

Recommendation:

That the Board adopt Resolution 17-17 authorizing the Executive Director to execute a contract amendment with the Eviction Defense Center and the East Bay Community Law Center in an amount not to exceed the amount allocated by City Council for Fiscal Year 2018 using money approved and provided by the Berkeley City Council to augment eviction defense services.

Background and Need for Rent Stabilization Board Action:

The Board has annually awarded contracts to community organizations for the provision of anti-displacement legal advice and eviction defense services to low-income tenants. As with each fiscal year, the Board voted to contract with EDC and EBCLC to these services to low-income households during the 2017-2018 Fiscal Year.

This year, to attempt to address the affordable housing crisis, the Council approved \$650,000 for anti-displacement services, with \$550,000 directed to EDC and EBCLC -- \$300,000 for increased funding of eviction defense services by the EDC and EBCLC, and \$250,000 for the Housing Retention Program, a rental assistance fund administered by EBCLC when tenant households are threatened with eviction for non-payment of rent, and \$100,000 in flexible housing subsidies to help tenants who require rapid re-housing when displaced from their current homes. The Council was particularly interested in providing eviction defense services to cover several areas that the Board is unable to fund or historically has not funded, including: anti-displacement of moderate-income tenant households; counseling and advocacy surrounding the Tenant Buy-Out Ordinance and Tenant Protection Ordinance (B.M.C. Chapter 13.79), and the Short-Term Rental Ordinance (B.M.C Chapter 23C.22); and assistance to Section 8 households.

Council requested that the Board amend its contracts with the EDC and EBCLC to add the money set aside for eviction defense. Council will likely pass a Resolution proposed by the Mayor later this month (see attached) which specifically sets forth the parameters of the purpose of the funding, but we are informed that each organization is to receive \$150,000 for the current fiscal year and for the services listed in the above paragraph.

Financial Impact:

The Board currently has a contract with the EDC for \$140,000 and the EBCLC for \$142,500 for eviction defense services during the 2017-2018 Fiscal Year. Modifying the existing contracts to allow each agency to receive an additional funding pursuant to Council's request will likely not impact the Board in any tangible way. It is anticipated that the reporting structure will remain the same as in the existing contracts, which will make additional time overseeing the contracts de minimus. If this is not the case and the Program requires additional resources or staff time to properly manage the amended contracts, I will request that we return to Council for financial assistance to cover the administrative costs.

Name and Telephone Number of Contact Person:

Jay Kelekian, Executive Director (510) 981-7368

Attachment:

1. July 25, 2017 City Council Consent Item and Proposed Resolution submitted by Mayor Jesse Arreguín

RESOLUTION 17-17

AMENDING CONTRACT NOS. 10381 AND 10518 TO AUGMENT SCOPE AND FUNDING PER CITY COUNCIL BUDGET ALLOCATION TO EVICTION DEFENSE SERVICES

BE IT RESOLVED by the Rent Stabilization Board of the City of Berkeley as follows:

WHEREAS, the primary intent of the Rent Stabilization Board and the Rent Stabilization and Eviction for Good Cause Ordinance is to preserve affordable housing so as to continue the diversity our community has embraced for decades; and

WHEREAS, effective administration of the 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, the Berkeley City Council, in recognition of the need for additional anti-displacement counseling and eviction defense services to be provided to Berkeley tenants, has allocated \$300,000 per year to these services in the 2017-2018 Biannual Budget; and

WHEREAS, the need for these additional services is urgent due to the ongoing housing crisis; and

WHEREAS, the most expeditious way to ensure prompt delivery of these additional services is via an amendment to the existing Rent Board contracts with East Bay Community Law Center and Eviction Defense Center;

NOW, THEREFORE BE IT RESOLVED that the Berkeley Rent Stabilization Board authorizes the Executive Director to execute contract amendments with East Bay Community Law Center and Eviction Defense Center to expand the scope of their contracts in accordance with Council's allocation of funds and additional services consistent with that allocation.

RESOLUTION 17-17

AMENDING CONTRACT NOS. 10381 AND 10518 TO AUGMENT SCOPE AND FUNDING PER CITY COUNCIL BUDGET ALLOCATION TO EVICTION DEFENSE SERVICES (Page 2)

Dated: July 17, 2017

Adopted by the Berkeley Rent Stabilization Board of the City of Berkeley by the following vote:

YES:

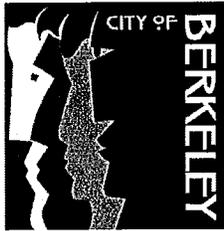
NO:

ABSTAIN:

ABSENT:

John Selawsky, Chair
Rent Stabilization Board

Attest: _____
Jay Kelekian, Executive Director



Office of the Mayor

Attachment 1

CONSENT CALENDAR

July 25, 2017

To: Honorable Mayor and 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 \$300,000 for Fiscal Years 2018 and 2019 to the Rent Stabilization Board to amend its contracts with the Eviction Defense Center and East Bay Community Law Center to provide eviction defense 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 27, 2017 Council Meeting, the FY 2018-19 Biennial Budget was approved, allocating \$650,000 each year for anti-displacement programs. Of this, \$300,000 will be used for eviction defense and housing counseling. Council wishes to expand 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.

Both EDC and EBCLC have requested an additional \$150,000 to cover this expanded scope of work to serve the broadest number of Berkeley tenants.

On June 19, 2017, by Resolution Nos. 17-10 and 17-11 the Rent Board authorized the Board's Executive Director to amend existing contracts with the EDC and the EBCLC through June 30, 2018. 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 has agreed to amend

its existing contracts with the EDC and EBCLC to incorporate Council's additional scope of work and additional funding.

FINANCIAL IMPLICATIONS

\$300,000 annually from the General Fund appropriation for eviction defense approved on June 27, 2017. 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. 10381 AND 10518 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 Berkeley Rent Board has funded eviction defense services for extremely low-income tenants; and

WHEREAS, Measure U1 provides annual General Fund revenues which can be used to create affordable housing and prevent homelessness; 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], 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 27, 2017, Council set aside \$300,000 for eviction defense funding for Fiscal Year 2018 and Fiscal Year 2019; and

WHEREAS, on June 19, 2017, by Resolution Nos. 17-10 and 17-11 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 \$140,000 for EDC and \$142,500 for EBCLC for services provided in the 2017/2018 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 \$150,000 per agency for Fiscal Years 2018 and 2019, 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 \$300,000 for Fiscal Years 2018 and 2019, as appropriated in the Fiscal Years 2018 & 2019 Biennial Budget, to the Berkeley Rent Board to amend its existing contracts with EDC and EBCLC to provide the eviction defense services detailed above; and

BE IT FURTHER RESOLVED, that Council specifically authorizes the use of these funds to provide eviction defense services for 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 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.