



CITY OF POMONA

COUNCIL REPORT

November 21, 2022

To: Honorable Mayor and Members of the City Council

From: James W. Makshanoff, City Manager

Submitted By: Kirk Pelser, Deputy City Manager

**SUBJECT: AWARD AN AGREEMENT FOR CONTRACTOR SERVICES TO RSG, INC
FOR RENT STABILIZATION CONSULTANT SERVICES**

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Award an Agreement for Contractor Services to RSG, Inc., not to exceed a maximum annual amount of \$479,090 for Rent Stabilization Consultant Services; and
- 2) Authorize the City Manager, or designee, to execute a two-year agreement, with two one-year renewal options, with RSG, Inc. and any subsequent documents or amendments, subject to review and approval by the City Attorney.

EXECUTIVE SUMMARY:

Staff is seeking City Council (Council) approval of an initial two-year agreement, with two one-year renewal options, with RSG, Inc (RSG) for Services in relation to the City's Rent Stabilization Urgency Ordinance # 4320, which was adopted on August 1, 2022.

FISCAL IMPACT:

The total fiscal impact of the proposed professional services agreement with RSG is estimated to not exceed an annual maximum of \$479,090, totaling up to \$958,180 for the initial agreement term of two years. Funding for the recommended actions are available in the FY 2022-23 Operating Budget in the American Rescue Plan (ARP) Fund (191-0800-52285-00000), and will be budgeted accordingly each year thereafter. \$1M of funding was allocated for the Rent Stabilization from the American Rescue Plan for all related startup costs of this new City program. Even though funds are available, it is the intent that future

costs relating to rent stabilization and tenant protections program will be offset once a fee is established for property owners.

PREVIOUS RELATED ACTIONS:

Adoption of Urgency Ordinance #4320 on August 1, 2022.

DISCUSSION:

The Council adopted Urgency Ordinance No. 4320 on August 1, 2022, which immediately established urgency rent control measures in the City of Pomona on all applicable units subject to State Law (the Costa-Hawkins Rental Housing Act). In order to implement Ordinance No. 4320, and any subsequent related legislation, there is an immediate need to retain a qualified consultant to provide professional services to help design, implement and administer the City Council's desired rent stabilization and tenant protections program. It is anticipated that significant levels of consulting services will be needed for at least the first two years of the program, after which it may be feasible to perform many of the needed services with in-house City staffing.

The City issued Request for Proposals (RFP) No. 2022-49 on September 1, 2022 through the City's standard PlanetBids portal. The RFP was sent to 22 firms of which seven downloaded the RFP. Ultimately, one vendor, RSG, submitted a proposal. RSG is a highly qualified consulting firm with extensive experience advising on and administering rent stabilization programs and policies, including engagements with the cities of Carson, El Monte, Escondido, Palmdale, Santa Ana and San Jose.

RSG's Scope of Services for this agreement include:

Initial Implementation and Content Creation

- Staffing Counter and Hotline
- Workshops/Webinars
- Preparing Written Notices to Tenants and Landlords
- Creating Fair Return and Tenant Petitions

Ongoing Administration

- CPI Rent Increase Calculations
- Fair Rent Petitions Review
- Tenant Petition
- Staff Training

Additional Advisory Service as Needed

It should be noted that the annual estimated cost of \$470,090 for RSG's services is based upon the scope items listed above and it assumes that RSG will process three landlord fair rent returns and 25 tenant petitions per year. The final year total may vary depending on the number of landlord and tenants' petitions that are processed. \$479,090 is our best estimate for now.

Additional details for each work scope item listed above can be found in Attached RSG Proposal. This agreement for contractor services will be among the first steps to establish the rent stabilization and tenant protection program. A later action will come before for the Mayor and Council to incorporate the eventual fee(s) established for Property Owners (Landlords). The ultimate fee structure may fund all, or portions or, the program costs, including the RSG and other related consultant costs and will be housed in the Citywide Master Fee Schedule and incorporated into the FY 2023-24 Operating Budget. At the time of that approval, the fee will go into effect 60 days after adoption.