



MEMORANDUM

CSFRA, Community Development Department

DATE: May 21, 2018

TO: Rental Housing Committee

FROM: Daniel H. Rich, City Manager

SUBJECT: Staffing Issues Related to Implementation of the CSFRA

RECOMMENDATION

Discuss issues related to staffing of the Rental Housing Committee (RHC) and efforts to implement the Community Stabilization and Fair Rent Act.

BACKGROUND

This item was agendized as a result of a meeting on March 6, 2018 between the former RHC chair, Mayor, City Manager and City Attorney. That meeting was held due to concerns and confusion regarding the roles of the RHC and the City relative to the staffing needed to implement the Community Stabilization and Fair Rent Act (CSFRA).

As implementation has been under way for over a year now, and the RHC prepares to adopt a budget for the next fiscal year, this is an appropriate time to clarify roles and review whether the current approach is meeting the needs of the program.

The RHC received a report on March 26, 2018 focused on the professional services provided by independent contractors. The purpose of this memo is to discuss direct staffing for the Committee.

Currently, City staff, supplemented by independent contractors, implements the CSFRA. There are 4.0 full-time positions authorized in the Fiscal Year 2017-18 Adopted Budget. Three filled full-time City staff positions, comprised of two Administrative Analysts and a Project Manager, support the work of the CSFRA. One Office Assistant position has not been filled pending review of the budget and staffing needs. In addition to these full-time positions, the budget reflects ongoing services provided by the City Attorney's Office, Finance, IT, HR, and other internal City services to the RHC. In addition, the RHC contracts with Project Sentinel to provide first point of contact and counseling services for landlords and tenants, and to administer the hearing process,

including prehearing facilitation as well as the formal hearing, and recruitment of hearing officers for the petition process. The RHC also contracts with the law firm of Goldfarb and Lipman to serve as legal counsel to the RHC and staff to provide legal advice regarding the petition process, adjudication of petitions, drafting of regulations, litigation, and questions regarding the CSFRA. The RHC has directed staff to conduct an RFP process for these professional services. So far, staff has recommended, and the RHC has considered, this combination of staff with support of other City services and outside professional services as the most efficient and effective way to implement and administer the CSFRA.

ANALYSIS

This report discusses the issues related to staffing and the challenges based on the relationship of the CSFRA to other provisions in the City Charter. Per the CSFRA, the RHC is independent from the City Council, City Manager, and City Attorney. Yet, the RHC is also an integral part of the City government. The CSFRA imposes an obligation on the RHC to implement the CSFRA but does not provide a framework for the mechanics of that implementation, nor does it explicitly establish authority for the RHC to hire staff.

As part of the initial implementation, the City hired staff to assist the RHC. In turn, the RHC's budget pays for the cost of these employees. As City employees, these individuals are subject to the City's civil service provisions as set forth in the City Charter. As City employees, they have certain rights and are hired and managed through the City's processes and the authority of the City Manager. Just as the City Council has no role in hiring, supervising, or dismissing any employee other than the four Council appointees, and Council advisory bodies have no role relative to the staff that supports them, the RHC has no formal role in the employment process for City staff that supports the RHC. The question, then, is who supervises these staff members, and what, if any, role should the RHC have relative to staff that supports them and implements the CSFRA in order to help the RHC fulfill its obligations under the CSFRA?

Contrary to the CSFRA, legislation for other cities with rent stabilization programs does provide explicit structures and staffing; but, as the CSFRA is part of the City's Charter, such provisions can only be changed by a vote of the residents. As such, it is essential to find a workable solution to the inherent tensions created by the somewhat contradictory wording of the CSFRA as compared to the other provisions in the City Charter.

The following are some options to consider:

1. Continue staffing the RHC with City employees. The City will hire, train, supervise, and evaluate staff performance and the RHC will continue to fund these costs.
2. A second option would be to issue a Request for Proposals (RFP) to contract out staff services. As noted with the Professional Services report in March, issuing an RFP is a significant undertaking and would require the dedication of existing City staff resources to accomplish this task.
3. A third option is for the RHC to hire an Executive Director directly by contract, reporting directly to the RHC. The Executive Director could provide general supervision to the City staff, who would provide services to the RHC. The cost of this new position, as well as all staffing, would need to be recovered in the Rental Housing Fee and the RHC would continue to reimburse the City for time spent by the City to support the RHC through additional services provided by other City departments such as HR, Finance, and IT.

With each of these options, there are pros and cons. In Option 1, for example, the system, personnel, and infrastructure are already in place, but how does the RHC have any say or provide input on staffing issues? In Option 2, the RHC would have total control over the staff who works directly for the RHC, but it may still desire to utilize City resources such as HR, Finance, and IT in order to leverage these services in order to implement the CSFRA in a cost-effective manner instead of creating new stand-alone processes and procedures. In addition, the RHC would need to consider how long it would take to staff up the organization. In Option 3, the RHC would have one person to hold accountable; but how would the Executive Director interact with City staff who do not formally report to him/her? Nor would the Executive Director be able to hire, discipline, or dismiss City employees.

From the City Manager's perspective, the issue with the RHC and staffing seems to be less about the specific structure and more about the newness of the operation, the uncertainty around appropriate roles, and what role the RHC has in the hiring and evaluation process. Using the City Council as the analogy, if they have issues with a particular staff member, their only recourse is to bring that concern to the attention of the City Manager, who utilizes his or her own judgement and experience and follows the procedures established in the Charter and State law to evaluate and address the concern. At the end of the day, though, personnel decisions are within the City Manager's purview. Often, when questions about staff arise, there are underlying policy issues or misunderstandings that are less about the individual that can be

ferreted out in an informal dialogue. Similarly, Study Sessions can be an effective tool to get different perspectives from staff and policy-makers out on the table and provide a greater understanding of the issues and clearly define a path forward. It seems to me the RHC can use this type of approach to express their desired outcomes and any concerns they may have regarding an issue, including staffing.

Conclusion/Recommendation

The City Manager recommends maintaining Option 1 with the following modifications to provide a mechanism for the RHC to be part of the staffing process:

- In the hiring process for all positions, the RHC, as a body, provides input at the beginning of the process as to the attributes and key skills desired.
- For the Program Manager position, one member of the RHC is part of a review panel interviewing candidates.
- All hiring and evaluation is done consistent with standard City practices.
- The City's Housing Manager is the day-to-day supervisor of the Program Manager, who is the supervisor of other CSFRA staff.
- The Chair and Vice Chair meet semiannually with the Housing Manager to provide input on staff performance.

Staff seeks direction from the RHC how it wishes to move forward on staffing.

PUBLIC NOTICING – Agenda posting.

DHR/AvD/2/RHC
895-05-21-18M-E

cc: City Council

CM, FASD