

DATE: July 24, 2025

TO: Rental Housing Committee

FROM: Andrea Kennedy, Senior Management Analyst
Anky van Deursen, Rent Stabilization Manager

SUBJECT: Agreement Amendment with Project Sentinel for Fiscal Year 2024-25

RECOMMENDATION

Authorize the Rent Stabilization Manager or designee to amend the agreement with Project Sentinel to provide administrative and hearing process services for Fiscal Year 2024-25 and add \$18,000, for a total amount not to exceed \$198,000 (instead of \$180,000), to pay for services related to a higher-than-expected volume of petitions.

BACKGROUND

On June 13, 2024, the RHC authorized an agreement with Project Sentinel to provide administrative and hearing process services for the Community Stabilization and Fair Rent Act (CSFRA) for Fiscal Year 2024-25 for a total amount not to exceed \$180,000 as follows (see also attachment 1):

- a. Administrative support services in an amount not to exceed \$10,000;
- b. Deploy and reimburse Facilitators for the Prehearing Settlement Conference Process in an amount not to exceed \$10,000; and
- c. Deploy and reimburse Hearing Officers for the Petition Hearing Process in an amount not to exceed \$160,000.

The Rent Stabilization Division experienced a significant increase in petition filings in Fiscal Year 2023-24, with many of these petitions being completed and Hearing Officer services billed in Fiscal Year 2024-25. Towards the end of fiscal year 2024-25, a higher-than-expected level of Hearing Officer invoices were submitted, which exceeded the \$180,000 agreement amount. For this reason, an additional \$18,000 is required for the Hearing Officer and Petition Hearing Process line item in the Project Sentinel CSFRA contract to cover the remaining invoices for Fiscal Year

2024-25.

ANALYSIS

To pay for the additional \$18,000, the Fiscal Year 2024-25 agreement with Project Sentinel must be amended to add funding. The RHC's adopted policies and procedures stipulate that any contract over \$50,000 requires RHC approval for the Division Manager or designee to execute such agreements. This includes amendments to agreements where the total not-to-exceed amount is over \$50,000. Because the original agreement is over the \$50,000 threshold, amending this agreement to add \$18,000 for a not-to-exceed amount of \$198,000 requires RHC approval.

FISCAL IMPACT

If the RHC approves this amendment, the additional \$18,000 for the Fiscal Year 2024-25 agreement will come out of the Fiscal Year 2025-26 approved budgeted amount (\$180,000) for Project Sentinel services because the Fiscal Year 2024-25 financials are closed. As the number of petitions filed has tapered off, staff does not expect Fiscal Year 2025-26 to see the same level of petitions as the previous year; therefore, the remaining budget (\$162,000 pending the RHC approval of this item) for this year is expected to be sufficient to cover Project Sentinel services.

PUBLIC NOTICING—Agenda posting, posting on the City's website, and email to RHC distribution list.

Attachments: 1. June 13, 2024 RHC Memo— Contract Renewal with Project Sentinel for Fiscal Year 2024-25