



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: CONS 23-358, **Version:** 1

DATE: June 20, 2023

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT

Adopt a Resolution Authorizing the City Manager to Execute an Agreement with Project Sentinel for Fiscal Year 2024 in an Amount Not-to-Exceed \$160,000 to Provide Mediation, Arbitration, and Education Services Related to the Residential Rent Stabilization and Tenant Protection Ordinance and Mobilehome Space Rent Stabilization Ordinance

RECOMMENDATION

That the Council adopts a resolution (Attachment II) to authorize the City Manager to execute an agreement with Project Sentinel to provide mediation and arbitration services, administrative support, and outreach and educational services related to the Residential Rent Stabilization and Tenant Protection Ordinance (RRSO) and Mobilehome Space Rent Stabilization Ordinance (MRSO) in an amount not-to-exceed \$160,000 for Fiscal Year 2024.

SUMMARY

As part of the RRSO, the City provides a mandatory mediation program with binding arbitration to resolve rent increase disputes for tenants of covered rental units upon rent increases greater than five percent. Project Sentinel currently administers the RRSO rent dispute resolution process, including providing mediation and arbitration services, administrative support, and outreach and education support. Project Sentinel has reliably provided these services for several years and their current contract with the City will expire on June 30, 2023.

Since Council adopted the RRSO in July 2019, Project Sentinel has not increased their cost rates. At the same time, there has been an increase in volume and complexity of rent dispute resolution petitions submitted by tenants and landlords since FY 2020, resulting in a significant increase in demand on Project Sentinel without any corresponding increase to their capacity or accounting for inflation in costs since 2019. The RRSO establishes timeframes in which the City must respond to petitions and move them through the rent dispute resolution process. An increase in petition volume without an increase in organizational capacity puts the City at risk of not meeting the timelines mandated by the RRSO.

The Project Sentinel agreement is paid for using funds generated in the Rental Housing Program Fund and funded by payments from the annual Residential Rent Stabilization Fee. The fee supports the

administration of the RRSO, the Mobilehome Space Rent Stabilization Ordinance (MRSO), and the Tenant Relocation Assistance Ordinance (TRAO). On March 28, 2023, Council approved Resolution 23-072 amending the Fiscal Year 2024 Master Fee Schedule to update the fees associated with administrating the RRSO. The fee change approved by Council reflected the need to increase funding to Project Sentinel, or whichever organization is providing that same service, to enable them to meet the increasing volume of petitions within the timeframe parameters established in the RRSO and MRSO. With this increase in the fee, there are sufficient funds budgeted in the proposed FY 2024 Operating Budget to cover the cost associated with this contract with Project Sentinel. The total fiscal impact will be equal to the amount budgeted for FY 24, and there is no additional impact to the Rental Housing Program Fund.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution