

FAIRFAX TOWN COUNCIL MEETING STAFF REPORT

MEETING DATE: December 6, 2023

PREPARED FOR: Mayor and Town Council

PREPARED BY: Heather Abrams, Town Manager

SUBJECT: Accept Report on Renter Protections Implementation Estimates,

Discuss/Consider Pilot Implementation of Rent Stabilization Program, and Adopt a Resolution Authorizing the Town Manager to Enter into an Agreement with ECHO Housing for warm-line informational service in an

amount not to exceed \$36,000.

RECOMMENDATION

Accept Report on Renter Protections Implementation Estimates, Discuss/Consider Pilot Implementation of Rent Stabilization Program, and Approve a Resolution Authorizing the Town Manager to Enter into an Agreement with ECHO Housing for warm-line informational service in an amount not to exceed \$36,000.

BACKGROUND

Approximately 1/3 of households in Marin County are renters. The Council has focused on significant challenges facing renters and put in place policies that provide greater protections for people renting housing in Fairfax. Over the last two years, the Council has received significant public comment from tenant-advocates and housing provider-advocates regarding Ordinances 870 and 871 and 882. Ordinance 882 was adopted on September 6, 2023, amending Ordinances 870 and 871. These ordinances and amendments are codified in Chapters 5.54 and 5.55 of the Town Code.

On November 1, 2023, housing provider-advocates presented their fifth resident petition (not including the initiative) to discuss the ordinances and their implementation. In addition, there have been approximately 15 staff reports on the topic of Rent Stabilization and Just Cause Eviction ordinances, the most recent being the September 6, 2023 staff report.

The petition discussions on October 4 and November 1, 2023 centered around the estimated cost of implementation. The estimates provided in the <u>FY 23/24 Town Budget</u> on page 27 were discussed.

The following estimated costs were described in the Town's FY 2023-24 budget but have not been included in the calculations for this budget, nor have estimated revenues from the associated permit fees been included in this budget calculation. The implementation cost estimates included in this report are also available on the Town's <u>Renter Protections webpage</u>.

Estimated Program Costs

Registration system platform	\$25,000 set up costs, \$25,000 annual
	service

Staff to review/approve registration platform	New staff is needed for this program, but it
submissions, manage program contractors,	is unclear how many staff are needed at
provide Town expertise	this time
Landlord/Tenant Informational Service	\$36,000 estimated
Legal Aid of Marin	\$0 for first 18 months
Contract Rent Board for Hearings	\$40,000 annually (not to exceed)
Mailings, enforcement, office furniture and	Estimates not yet known
supplies	

As a reminder, tasks included in implementation of Rent Stabilization include:

- Initial and ongoing public outreach and information
- Registering landlords through a data base platform
- Developing and maintaining a rental registry data base, verifying information, fielding questions, and following up on cases that do not comply with the registration requirements
- Establishing/verifying base rents and rent ceilings
- Calculating and communicating allowable annual rent adjustments based on an index
- Petition processes to address violations or requested adjustments
- Hearing officer proceedings
- Appeal to Town Council processes

Just Cause Eviction and Rent Stabilization ordinances are in effect but have not yet been implemented in Fairfax. To begin the program, a Town Council Resolution authorizing implementation is needed. Tenants and Housing Providers currently have a private right of action to seek resolution in County Court.

DISCUSSION

During the discussion in October, the Council expressed an interest in a pilot implementation of the ordinances. Staff recommends focusing on three main themes in a pilot implementation program: 1) Provide a warm-line informational service that can respond to both renter and housing provider questions, 2) Launch a registration platform to collect real data about the rental housing market in Fairfax, and 3) Contract with a qualified local individual or firm that can act as a hearing examiner when requested.

1) Provide a warm-line informational service

Since early 2022, Town staff and Council Members have received a large number of questions about the Town's renter protections. In August 2022, Legal Aid of Marin (LAM) offered to accept contacts from renters regarding the Town's ordinances free of charge to the Town for the first 18 months. LAM has also helped in producing the Frequently Asked Questions (FAQs) that are displayed on the Town's website. LAMs assistance is appreciated; however, LAM is not able to provide substantial help to two significant groups in Fairfax: a) renters who may be rent burdened, but do not income qualify for LAM assistance, b) housing providers who have questions about Fairfax's ordinances. Staff researched options and considered whether to hire specialized renter protections staff or whether to contract for additional outside resources. Staff recommend entering into an agreement with the non-profit ECHO to provide warm-line services. ECHO provides this service in several other Bay Area communities. The attached resolution would authorize the Town Manager to enter into an

agreement with ECHO not to exceed \$36,000 annually. ECHO staff will provide a brief presentation during the December 6 Council Meeting regarding their services. The warm-line service could be valuable in answering questions now, regardless of whether an initiative is approved by voters in November 2024.

2) Launch a registration platform

An online platform is needed to allow housing providers to register their rental units, pay registration fees, and request certain actions such as exemptions or hearings. The registration platform is key in allowing the Town to collect information on real rents and eviction actions within Town limits. This information will be critical in analyzing the programs, and the data may suggest other amendments that the Council may wish to make to the ordinances (either before November 2024 or assuming there is not a successful initiative to restrict the Council's actions). There are several private companies and the County of Marin that offer some form of rental registry platform. In all cases, the platform needs to be customized to the Town's ordinances. Staff will be needed to review and confirm all submissions to the platform, to respond to requests made through the platform for information, exemptions and hearings, and to maintain and update the platform as the program matures. Some platforms also allow registration of short-term rentals; however, after meeting with them, staff have determined that the Town will need two different systems, because no platform was strong in both areas. Staff are requesting direction from Council to continue reviewing platforms for regular rentals, with the hope that a recommended agreement for registration platform provider could be brought to the regular Council Meeting in January. If the initiative passes in November 2024, the platform agreement could be terminated.

3) Contract with a hearing examiner

Staff had drafted an agreement with the Berkeley Rent Board to provide expert hearing examiner services; however, the agreement was not finalized due to public comment requesting a more local option. The Town Attorney suggested that a retired judge or retired attorney could be hired on an hourly basis to serve as the Fairfax hearing examiner, using the ordinances as a basis for determinations. Whomever was to be the hearing examiner, the Town planned to provide space for the hearings to occur in Fairfax. Staff requests direction from the Council to release a brief request for proposal to identify an independent local legal professional who could be on-call to serve the hearing examiner role when requested. If the hearing examiner's determination is appealed, the Town Council will hear the appeal. If the initiative passes in November 2024, the hearing examiner's agreement could be terminated, and the mandatory mediation service previously offered by the Marin District Attorney's Office could likely be renewed.

Once these agreements are in place, and staff, the community, and Council have had an opportunity to evaluate how they are working, staff can bring a full implementation resolution to the Council.

FISCAL IMPACT

Staff is requesting authorization for the Town Manager to enter into an agreement with ECHO Housing not to exceed \$36,000. This amount was not previously budgeted in FY 2023-2024 and would be coded to 01-311-822 Planning Outside Services.

ATTACHMENT

Resolution

RESOLUTION 23-___

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FAIRFAX AUTHORIZING THE TOWN MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH ECHO HOUSING IN AN AMOUNT NOT TO EXCEED \$36,000

WHEREAS, Council began discussions regarding rent stabilization and just cause eviction in March 2022 and later adopted Ordinances 870, 871 and 882 on these topics; and

WHEREAS, Ordinance 882 was adopted on September 6, 2023, amending Ordinances 870 and 871. These ordinances and amendments are codified in Chapters 5.54 and 5.55 of the Town Code; and

WHEREAS, Council and staff have received numerous comments and questions on the topics of rent stabilization and just cause eviction; and

WHEREAS, Council finds it beneficial to engage an experienced and flexible contractor to respond to information requests from residents and businesses that have questions about rent stabilization and just cause eviction in Fairfax; and

WHEREAS, ECHO Housing is a nonprofit organization that offers a warm-line information service to renters and housing providers in many San Francisco Bay Area communities; and

WHEREAS, ECHO Housing has offered to customize this service for Fairfax on an hourly basis for a total amount not to exceed \$36,000; and

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Town Council of the Town of Fairfax authorizes the Town Manager to execute an agreement with ECHO Housing in an amount not to exceed \$36,000.

The foregoing resolution was adopted at a regularistance and the said Town on the day of	ular meeting of the Town Council of the Town of 2023, by the following vote:
AYES: NOES: ABSENT:	
Attest:	Mayor

Michele Gardner, Town Clerk