



Draft 12/20/2018
Memorandum of Understanding between
The City of Salinas and the National Resource Network

1. This memorandum of understanding commemorates an agreement between the City of Salinas, a Charter City local government incorporated in the State of California (the “City”), and the National Resource Network (“Network”), an initiative of the federal government’s Strong Cities Strong Communities initiative under the auspices of the White House Council on Strong Cities, Strong Communities established pursuant to an Executive Order signed by President Barack Obama on March 15, 2012.
2. The Network was established and is operating under a cooperative agreement between the U.S. Department of Housing and Urban Development (“HUD”) and Enterprise Community Partners, Inc. (“Enterprise”) (the “HUD Cooperative Agreement”). The Network is a consortium comprised of Enterprise, Public Financial Management, Inc. (“PFM”), HR&A Advisors, Inc. (“HR&A”), New York University through its Robert F. Wagner School of Public Service (“NYU”) and the International City/County Management Association (“ICMA”) (collectively, the “Consortium Members”).
3. The Network was created out of demand from cities around the country to have access to experts, technical advice, and information that can help them address the mounting challenges of growing inequality, high unemployment, under-performing schools, aging infrastructure and vacant and blighted properties. For many local governments facing dwindling budgets, especially those facing significant economic shocks, these challenges have made it difficult to effectively attract jobs, retain an educated workforce, grow the middle class, and revitalize their economies. The Network helps cities address these challenges through on-the-ground expert engagements and advisory services, among other forms of assistance. The goal of the Network is to assist cities in developing and implementing cross-cutting strategies designed to promote economic recovery at the local level.
4. In 2017, the Network received a grant from the Laura and John Arnold Foundation (“LJAF”) to supplement its initial funding under the HUD cooperative agreement. The LJAF funding specifically provides for support for technical assistance related to the development of multi-year financial plans.
5. The Consortium Members have formed a Governing Board for the Network. The Network Governing Board has agreed that David Eichenenthal will act as the Executive Director of the Network, and, as part of that role, is authorized to sign contracts, agreements, memoranda of understanding and other instruments that establish and implement the

relationships between the Network and cities receiving Network provided technical assistance.

6. On August 16, 2017, the Network invited a group of eligible cities to apply for technical assistance related to the development of multi-year financial plans. The City of Salinas applied for technical assistance and representatives of the City and the Network participated on a telephone conference call to review the City's application on October 27, 2017.
7. On the basis of the City's application and the telephone conference call, the Network developed an assessment of challenges and opportunities that included a proposal for the delivery of direct assistance. The direct assistance project report ("The Salinas Plan") was completed on November 26, 2018 and presented at a City Council meeting on December 4, 2018.
8. LJAF has also provided funding to allow the Network to provide implementation assistance for cities that have multi-year financial plans – either adopted independently or with the support of the Network.
9. The City of Salinas has requested assistance with implementation of recommendations in the multi-year financial plan related to the adoption of a rental housing registry fee.
10. The proposed implementation assistance by the Network includes the following:

Task 1: Review Existing Rental Registry and/or Inspection Programs

Under this task, the Network team will review the existing rental registry and/or inspection programs operating in the State of California. Programs will be evaluated for:

- Goals and objectives of rental registry
- Regulatory structure and landlord/renter requirements
- Funding structure
- Approval and use of fee revenue

The goal of this task is to understand the different ways that rental registry and/or inspection programs can be structured in order to develop a best-fit plan for Salinas. A part of this analysis will include pros and cons of each structure, lessons learned from each jurisdiction, and how successful the municipality was in meeting the registry program goals.

Deliverable: Summary matrix description and comparison of rental registry programs in California.

Task 2: Outline Major Elements of City Rental Registry Program

Based on the work performed by the Network team in producing The Salinas Plan and the analysis of existing rental registry programs in California, the Network team will outline the major elements of a rental registry program for the City. The goal will be to create a "best-

of-breed” program that is directly linked to the City’s goals and the unique housing issues in the City of Salinas.

Deliverable: Recommended program design elements for the City of Salinas’ rental registry program.

Task 3: Develop Outreach Strategy

Concurrent with the development of draft program goals and elements, the City will need to work with the community to discuss program goals and structure. The outreach strategy will identify key stakeholders in the community to discuss and describe the rental registry and inspection program goals and proposed implementation. The goal of the outreach strategy will be to develop broad, if not universal, support for the rental registry program before asking Council to implement a rental registry program. Key stakeholders to engage will include:

- Landlords
- Neighborhood advocates
- City staff (code enforcement, attorney, etc.)
- City public relations team members
- City Council and key City commissions
- The agricultural community

Based on feedback from the City’s outreach efforts, elements of the draft rental registry program may be adjusted to increase the likelihood of program success and to address issues raised during the outreach process.

Deliverable: Written outreach strategy to solicit feedback from key stakeholders in the City’s rental community. Assignment of specific outreach responsibilities and timelines for City staff and consultants. Network team to work with City staff on strategy development. Network team members will be present for one to two key meetings, but will not run the outreach process.

Task 4: Program Implementation

Once the rental registry program has been designed and adjusted based on community input, the Network team will work with the City to implement the key elements of the program. These elements include:

- **Matching program costs with expected fee revenues**—Based on California State law and Proposition 26, the City cannot charge program costs beyond reasonable fees to support the regulatory activities of the rental registry program. Under this element, the Network team will develop a nexus between the program fees and the program activities and costs. Costs include direct program costs, management and oversight of the program, and general City overhead costs incurred in program activities
- **Draft Implementing Ordinances**—the Network team will work with the City Attorney to identify and draft City Ordinances required to codify the rental registry program

- **Management plan**—the Network team will outline a plan to manage the implementation and initial collection of the fee

Deliverable: Program design and elements for the City of Salinas' rental registry program, justification of fee amount and use, rental-registry ordinances. Network team to work with City Attorney, Community Development Department (CDD), and Finance staff to implement key elements of the plan.

11. To achieve this goal, the Network will provide direct assistance to the City in accord with the following timetable:

- **January 2019**
 - Commence Task I
 - Commence Task II
- **February 2019:**
 - Completion of Task I
 - Ongoing work on Task II
 - Commence Task III
- **March 2019**
 - Ongoing work on Task II
 - Ongoing work on Task III
 - Commence Task IV
- **April 2019**
 - Completion of Task II
 - Ongoing work on Task III
 - Ongoing work on Task IV
- **May 2019**
 - Completion of Task III
 - Completion of Task IV
- **June 2019**
 - Presentations to City Staff and City Council

12. The direct assistance plan will be executed by the following team of representatives of the Network:

Russ Branson, David Eichenthal, and assigned analysts of PFM; and Mercedes Márquez of Márquez Community Strategy.

Additional members of the team may assist in the execution of the direct assistance plan as needed.

13. The Network will execute the direct implementation assistance plan between January 2019 and July 2019. As part of the direct assistance plan, the Network will document its work in a series of deliverables addressing each major task leading to the implementation of the rental registry program. Each deliverable will take a form that can best communicate and document the issues and recommendations, as indicated in the task descriptions

above. The Network team will also provide a presentation with the results of the implementation assistance to the City Council.

14. The Network estimates that the value of the direct assistance plan is \$100,000. The Network will fund seventy-five percent (75%) of this cost with funds provided by LJAF pursuant to its grant to the Network. The City agrees that it will provide twenty-five percent (25%) of the total estimated cost of the direct assistance plan, or \$25,000. The City may provide funds from its own local government budget or it may secure a commitment of funding from a third party. The City shall either make payment of its share of the cost or ensure third party payment no later than sixty (60) days after the execution of this memorandum, or on a schedule agreed upon by the City and the Network prior to the commencement of the direct assistance engagement. If payment of the City's share of the costs is not received by the 60th day, the Network may exercise its right to stop work until payment is received. Whether the City intends to secure third party funding or not, the City is responsible for meeting this requirement. In the event that the projected cost of the direct assistance plan increases without an increase in scope, the Network will be solely responsible for any increase in cost. If the value of the direct assistance increases due to an increase in scope agreed to by the Network and the City and commemorated by a written amendment pursuant to section 19 of this memorandum, the City will then be responsible for twenty-five percent (25%) of any increase in cost.
15. The fiscal sponsor for the Network is Enterprise. All payments should be sent to Enterprise in accordance with the attached payment instructions.
16. In addition to the provision of matching funds for the cost of the direct assistance plan set forth in section 8, the City also agrees to and commits to the following:
 - a. Upon execution of this memorandum, the City Manager of the City commits to a good faith effort to implement actions developed as part of the direct assistance plan.
 - b. As part of the execution of this memorandum, the City commits to provide timely cooperation to all reasonable requests by the Network for documents, data and other information. In addition, the City commits to participate in regular meetings as set forth in the timetable detailed in section 11 above and to arrange and participate in such meetings determined to be necessary by the Network as part of the direct assistance plan.
 - c. Upon execution of this memorandum, the City shall designate a senior official to act as the project manager and point of contact for the Network in the execution of the direct assistance plan. The designated project manager shall report to the City Manager.
 - d. The City agrees and acknowledges that an integral part of the direct assistance provided by the Network will be ongoing peer-to-peer activity. The City shall take reasonable steps to engage with the Network through the peer-to-peer activity

process during the term of the direct assistance plan and for an additional three years after completion of the direct assistance.

- e. Prior to the completion of the direct assistance plan, the City agrees that it will develop a written plan for continued implementation of the work developed through the direct assistance plan for a period of at least thirty-six (36) months. The completion plan shall include a timetable of specific activities and an agreed-upon set of metrics for measuring the progress of the direct assistance plan.

17. Decisions related to the direct assistance plan shall be commemorated in writings, including e-mails, between the Network's designated team lead and the City's project manager. This provision shall not apply to routine sharing of information or interviews or meetings between members of the Network team and officials of the City and other stakeholders.

18. External communications, including communications with members of the media, by the Network may be limited based on provisions of the grant agreement between LJAF and the Network. The City is not bound by such limitations.

19. This memorandum is subject to termination at any time by either party. Such party who wishes to terminate the memorandum shall send a written notification to the other party at least (30) thirty days prior to the termination date. This memorandum will be effective upon the Network's execution in the space provided below. This memorandum may be amended by a written amendment executed by both the Network and the City.

David Eichenthal, Executive Director, National Resource Network

Date

Ray Corpuz, City Manager, City of Salinas

Date



Payment Instructions

For payment by wire:

Bank Name **M & T Bank Corporation**

Bank ABA#: **022 000 046**

Bank Acct. Name: **Enterprise Community Partners, Inc.**
 Operating Account

Bank Account #: **970150800**

Reference: **NRN City: _____**

For payment by check:

Please send to: **Enterprise Community Partners, Inc.**
 P.O. Box 64854
 Baltimore, MD 21264-4854

By Fed Ex: **M&T Bank / Montgomery Park**
 1800 Washington Boulevard
 Baltimore, MD 21230
 Attn: Lockbox #64854

(Please reference "NRN City: _____" on check.)