



## Takoma Park City Council Meeting – May 17, 2023 Agenda Item 7

### **Work Session**

Contract for Rental Licensing and Rent Reporting Software

### **Recommended Council Action**

Consider an ordinance to enter into a contract for the purpose of implementing a new rental licensing and rent reporting software platform. An ordinance approving the award is scheduled for Council vote on May 24.

### **Context with Key Issues**

As part of a review of Department software, both Housing and Community Development (HCD) staff and Information Technology (IT) staff identified the current rental license and rent reporting software as a system that required updating to improve customer service, provide streamlined review and management, and provide improved security to the City's network.

Staff issued a Request for Proposals (RFP) on March 14, 2023. The RFP closed on April 14, 2023. The RFP had four responses. Staff reviewed the responses and identified GovOS as the most qualified respondent based on the criteria set forth in the RFP.

GovOS will work with the City to implement a cloud-based rental license and rent reporting software platform, including the ability to handle license fees, allow users and city staff to manage licenses online from anywhere, and provide ongoing maintenance and support for the system.

Staff anticipate beginning development of the software in July 2023 and the implementation of the software in winter 2023-2024.

### **Council Priority**

Engaged, Responsive, Service-Oriented Government; Community Development for an Improved and Equitable Quality of Life

### **Environmental Considerations**

No direct environmental considerations.

### **Fiscal Considerations**

The cost for the implementation and development of this system is \$14,900 with an annual software agreement estimated to be \$24,800 with expected escalations of 5% per year. Funding will come from both HCD and IT Fiscal Year 2023 and Fiscal Year 2024 allocations for the initial implementation and first annual fee with the annual fee in subsequent years being paid by HCD.

### **Racial Equity Considerations**

The contract will improve the City's ability to oversee rental properties in the City. According to the 2021 American Community Survey five-year estimates for the City; 83% of renter households are Non-White, while owner households are 76% White.

**Attachments and Links**

Excerpts from RFP (attached)

Draft Ordinance

[Link to RFP Issued March 14, 2023](#)

Introduced by:

**CITY OF TAKOMA PARK, MARYLAND**

**ORDINANCE 2023-**

**AUTHORIZING A CONTRACT  
FOR RENTAL HOUSING LICENSING AND RENT REPORTING**

WHEREAS, the Housing and Community Development Department issued a Request for Proposals on March 14, 2023 for a firm to provide software to internally manage its rental licensing and rent reporting program and to provide a streamlined and customer-friendly external facing portal for landlords and property managers to submit applications and manage their licenses online; and

WHEREAS, the Department reviewed and evaluated the four proposals received; and

WHEREAS, GovOS was found to be the most qualified respondent based on the criteria set forth in the RFP; and

WHEREAS, the cost for development and implementation of the system is \$14,900 with an annual software agreement estimated to be \$24,800 for the first year.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND, THAT:

SECTION 1 The City Manager or their designee is authorized to enter into a contract with GovOS for the purpose of providing software to manage the City's rental licensing and rent reporting program.

SECTION 2, This Ordinance shall become effective upon adoption.

Adopted by the Council of the City of Takoma Park this \_\_\_\_ day of \_\_\_\_\_, 2023 by roll-call vote as follows:

AYE:

NAY:

ABSENT:

ABSTAIN:

## **Excerpts from RFP Issued on March 14, 2023**

### **STATEMENT OF PURPOSE**

The City of Takoma Park Maryland is seeking a software solution for the administration of the City's Rental Licensing and Rent Reporting programs.

### **BACKGROUND**

The City of Takoma Park is located in the southern part of Montgomery County, MD and borders Washington, DC and Prince George's County, MD. The City, which is about 2.4 square miles in size, is primarily residential in character and has a population of 17,703. The City's population is diverse with a majority of residents being people of color: 36.06% Black or African American, 11.37% Hispanic or Latinx, 4.69% Asian, 43.85% White, and 4.03% identifying as something other. The City and its residents celebrate its diverse, progressive identity.

The City has a roughly even split between renters and homeowners and is known for strong tenant protections as well as for having one of the first rent stabilization programs in the United States. Currently the City licenses nearly 600 rental properties totaling over 3,300 units. These properties are required to either annually or biannually renew their license. A license is issued when a property is shown to be in compliance with the five statutory requirements set forth in the City's Code ([Chapter 6.08](#)). Of these, nearly 300 properties (1,500 units) are subject to the City's Rent Stabilization Ordinance, which requires the properties to submit annual reports to the City verifying their rent increases and fees comply with City law ([Chapter 6.20 of City Code](#)). This includes setting the maximum amount rent can rise annually based on the change in the consumer price index (CPI), limiting the types of fees and the amount of fees that can be charged, and allowing for increased rents through a fair return petition.

The City of Takoma Park is seeking a firm to provide software to internally manage its rental licensing and rent reporting program and to provide a streamlined and customer-friendly external facing portal for landlords and property managers to submit applications and manage their licenses online.

### **SCOPE OF SERVICES**

The Firm shall provide services consisting of, but not limited to, the components listed below. Please also identify any other tasks that may be necessary to complete the scope of work.

1. The Firm will lead an initial meeting with various City representatives to discuss the required steps and processes and introduce key personnel dedicated to the City contract;
2. Development and implementation of a cloud-based licensing and rent reporting platform that can manage licenses, receive and provide baseline analysis of rent reports for compliance, serve

as a database for all information related to licenses and rent reports, and allow for reporting and analysis of current licenses issued. This includes

- a. Ability to store and keep documents/data
- b. Ability to handle the application, discontinuation, transfer, and modification of licenses through an online system.
- c. Ability to track the status/renewal of licenses and send/receive messages through the portal.
- d. Ability to create automatic reminders for expiring licenses.
- e. Compatibility with the City's existing finance software (TYLER Incode) that enables payment via the licensing and rent reporting software while also automatically capturing and recording the transaction in the City's finance software.
- f. Ability to process annual rent reports and compare to the previous year rent report.
- g. The capacity to calculate maximum rents allowed based on imputed data. This includes:
  - i. The annual rent allowed based on the increase in the consumer price index (CPI). This is based on the actual rent for the previous year and the allowed increase for the year.
  - ii. The ability to identify if the unit has a new tenant based on the move in date entered.
  - iii. The banked rent, which is the rent that the unit could be marketed for when a tenant leaves based on the maximum allowed increase for every year.
  - iv. These calculations should be compared to the imputed data from the annual rent reports submitted by landlords and any increases beyond the allowance should be flagged for review.
- h. The system should also allow City staff users to review flagged items and approve items with comments/supporting documentation.
- i. The system should allow for additional documentation to be uploaded upon the request of the City for any application.
- j. The conversion of historical data from the City's current software system to the new system.

k. Ability to report on the number of licenses in process/issued, the number of units, average and median rents for rent-stabilized apartments and the ability to export data to excel for analysis.

3. Ongoing maintenance and support of the software for the City, including technical assistance and training for employees.

Written contract amendments will be issued for all additions or deletions. In the event of a failure to comply with the terms and conditions of the resultant contract, the City reserves the right to cancel such contract.

### **FINAL DELIVERABLE**

The final deliverable shall be a complete software platform that manages rental licenses and rent reports for the City as well as ongoing support for the software.

### **EVALUATION AND SELECTION PROCESS**

A contract award will be made on the basis of a recommendation made by an evaluation panel composed of City staff, and authorized by formal action of the Takoma Park City Council. The evaluation panel may request an interview with any or all responders to this RFP before making a recommendation.

Proposals will be evaluated and ranked based on the following criteria. Criteria are listed in order of importance:

- The software description's alignment with the scope of services set forth in the RFP
- Cost;
- Prior experience working with local governments;
- Experience and qualifications of the Firm; and
- Client references