

Agenda Report

September 28, 2015

TO: Honorable Mayor and City Council
FROM: Housing and Career Services Department
SUBJECT: TENANT PROTECTION ORDINANCE

RECOMMENDATION:

The following report is for information only. No City Council action is required.

BACKGROUND:

During the public comment portion of the August 31, 2015 regular meeting of the City Council, four members of the public asked the City Council to consider extending the scope of the City's Tenant Protection Ordinance. The City Council directed staff to report back with an information item on this matter.

TENANT PROTECTION ORDINANCE – HISTORY AND ADOPTION

The provision of tenant protections in Pasadena was an issue that was considered by the City's Housing Affordability Task Force in 2002-2003. The Task Force was established by the City Council in 2002 with the charge of providing policy and program recommendations to the City Council that would "increase the preservation, production and livability of affordable housing in Pasadena. The 19-member Task Force was chaired by then-Mayor Bill Bogaard and included housing advocates and experts, representatives from the real estate and housing development sectors, and other community stakeholders. The Task Force first convened in September 2002 and concluded its work in May 2003, with the Final Report to the City Council.

On March 22, 2004, staff made four recommendations to City Council from the Task Force Final Report recommendations on "Increased Tenant Protections". Two of the recommendations were approved: amending the City's Housing Mediation Ordinance and expanding landlord/tenant education programs. The other two items, amending the City's condominium conversion ordinance and adopting a Rental Housing Protections Ordinance, were referred to the Community Development Committee ("CDC").

On April 22, 2004, CDC convened a workshop to provide a public forum to consider the Task Force recommendations. At the workshop, the CDC received comments from property owners, tenants, developers, and other interested parties. The CDC convened

TENANT PROTECTION ORDINANCE

September 28, 2015

Page 2 of 4

again on April 29, 2004 and considered and recommended City Council approval of the staff recommendations to: 1) amend the City's condominium conversion ordinance so that it is consistent with State guidelines and to provide additional protections to tenants displaced by condominium conversions; and 2) establish a "Rental Housing Protections Ordinance" which would provide for, among other things, the required "payment of relocation allowance for tenant-in-good-standing evictions/vacations."

At its regular meeting of May 24, 2004, City Council directed the City Attorney to amend the City's condominium conversion ordinance and to prepare a Rental Housing Protections Ordinance. On September 20, 2004, the City Attorney brought to the City Council an Ordinance Fact Sheet for "*an ordinance of the City of Pasadena amending Title 9 (Public Peace, Morals and Welfare) of the Pasadena Municipal Code and Title 16 (Subdivisions) which shall be known as the Tenant Protection Ordinance.*"

The complete language of the Tenant Protection Ordinance ("TPO") is provided in Attachment "A" of this staff report. Basically, under the TPO, landlords are required to pay households in good standing, who are at or below 140% of the median income for Los Angeles County, a relocation allowance if the tenant is required to leave due to demolition, government order to vacate, or permanent removal of a unit from the rental market. The relocation allowance amount is calculated as two times the current Fair Market Rent adjusted for dwelling size, as published by the U. S. Department of Housing and Urban Development. In addition, a landlord must pay the tenant a moving expense allowance which is currently \$1,199 for adult households and \$3,608 for households with dependents, disabled or senior members.

The TPO is administered by the Housing and Career Services Department, with consultant services provided under City contract by the Housing Rights Center ("HRC") (formerly Fair Housing Council of San Gabriel Valley). HRC is a nonprofit organization based in Los Angeles. Other services provided to the community by HRC include tenant and landlord counseling, housing discrimination complaint investigation, and fair housing education and outreach. HRC has operated a satellite office in the Jackie Robinson Center since for over 30 years.

TENANT PROTECTION ORDINANCE – RELOCATION ASSISTANCE

The current amounts of relocation assistance that Pasadena landlords are obligated to pay to eligible tenants under the TPO are summarized in the table below. At the August 31, 2015 Council meeting, the public comments referenced tenant relocation assistance programs in the cities of Glendale and Los Angeles. The table below also provides the assistance amounts in those two cities. It is important to note that Los Angeles is a rent stabilization city where extra protections against tenant displacement is necessary due to a landlord's potential large economic gain when units turn over; hence, the top end of the Los Angeles relocation benefits are greater than Pasadena's and Glendale's.

In Pasadena, a landlord who terminates a tenant's lease after providing proper notice under State law is not required to pay relocation assistance. Glendale's ordinance, however, does not provide such an exemption. Relocation assistance is required to be paid if the landlord terminates the tenancy after providing lawful notice and the reason for termination falls under one of the acceptable reasons specified in the ordinance.

TENANT PROTECTION ORDINANCE

September 28, 2015

Page 3 of 4

Such reasons include non-payment of rent; breach of rental agreement or lease; tenant nuisance; to withdraw the unit from the rental market; and to demolish or permanently remove a rental unit from housing use. Other cities in Los Angeles County that have ordinances which provide for relocation assistance are Beverly Hills, Los Angeles, Maywood, Santa Monica, and West Hollywood. But in Beverly Hills, Los Angeles, and West Hollywood, the relocation assistance applies only to rent controlled units.

	Pasadena	Glendale	Los Angeles
Relocation assistance	Two (2) times the current HUD Fair Market Rent: \$1,826 – studio \$2,206 – 1 bedroom \$2,848 – 2 bedroom \$3,852 – 3-bedroom \$4,290 – 4 bedroom	Two (2) times the current HUD Fair Market Rent plus \$1,000: \$2,826 – studio \$3,206 – 1 bedroom \$3,848 – 2 bedroom \$4,852 – 3-bedroom \$5,290 – 4 bedroom	If tenant is a senior, handicapped, or has a minor dependent: \$16,350 to \$19,300 depending on length of tenancy. Other tenants: \$7,700 to \$10,200 depending on length of tenancy.
Moving expense assistance	\$1,199 for adult households \$3,608 for households with dependents, disabled or senior household members	None specified	None specified
Tenant eligibility	Household income may not exceed 140% of the median income for Los Angeles County	No income eligibility requirement	Only tenants in rent-controlled units built on or before 10/1/78 are entitled to relocation assistance

As of July 1, 2015 landlords have paid TPO relocation and moving expense assistance to 46 Pasadena tenant households, averaging \$3,546 per household.

TENANT PROTECTION ORDINANCE – EXEMPTION/INAPPLICABILITY

The requirements set forth in the TPO are exempt or are inapplicable to certain evictions:

- a) Single-family residences and condominiums are exempt from the requirements set forth in the TPO, per 9.75.030.
- b) The requirements set forth in the TPO shall not apply to any tenant whose tenancy is terminated pursuant to a lawful notice to terminate tenancy pursuant to state law, per 9.75.040 (A).
- c) The requirements set forth in the TPO shall not apply if the rental unit is rendered not habitable as a result of an earthquake or other natural disaster, per 9.75.040 (B).

TENANT PROTECTION ORDINANCE

September 28, 2015


Page 4 of 4

- d) The requirements set forth in the TPO shall not apply if the eviction is a result of the tenant having caused such physical damage to the unit, that the unit is not habitable, per 9.75.040 (C)

POLICY IMPLICATIONS OF STRENGTHENING TENANT PROTECTIONS


1. Potential to discourage private investment in rental properties, increase operating costs, and cause upward pressure on rents.
2. Potential to cause delays in or jeopardize new residential developments that provide Inclusionary affordable housing units.
3. Depending on the extent of modifications to strengthen the TPO, staff and funding resources may need to be identified to administer the amended ordinance.

Respectfully submitted,



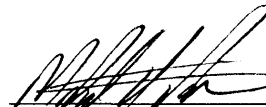
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ATTACHMENT(S):

Attachment "A": Tenant Protection Ordinance