



Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: June 3, 2019

FROM: CITY ATTORNEY

SUBJECT:

AN ORDINANCE OF THE CITY OF PASADENA AMENDING CERTAIN PROVISIONS OF TITLE 9, CHAPTER 9.75 (TENANT PROTECTION) OF THE PASADENA MUNICIPAL CODE BROADENING THE ORDINANCE TO APPLY TO ELIGIBLE TENANTS WHO ARE DISPLACED FOLLOWING A CHANGE IN OWNERSHIP AND ENHANCING THE RELOCATION ALLOWANCE TO ACCOUNT FOR MARKET RENT INCREASES AND LONG-TERM TENANCIES OF MORE THAN 10 YEARS.

TITLE OF PROPOSED ORDINANCE

AN ORDINANCE OF THE CITY OF PASADENA AMENDING TITLE 9, CHAPTER 9.75 (TENANT PROTECTION) OF THE PASADENA MUNICIPAL CODE BROADENING THE ORDINANCE TO APPLY TO ELIGIBLE TENANTS WHO ARE DISPLACED FOLLOWING A CHANGE IN OWNERSHIP AND ENHANCING THE RELOCATION ALLOWANCE TO ACCOUNT FOR MARKET RENT INCREASES AND LONG-TERM TENANCIES OF MORE THAN 10 YEARS.

PURPOSE OF ORDINANCE

On March 25, 2019, the City Council directed the City Attorney's Office to prepare this Ordinance. This proposed Ordinance expands the scope of the ordinance to apply to tenants that are displaced in connection with a change in ownership of rental properties due to large rent increases, lease terminations, or evictions. New property owners will be required to provide relocation allowance and moving expenses to income qualified tenants in good standing if the tenancies are terminated within 18 months of the date the property is transferred. Additional

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language increases relocation allowances to recognize that Pasadena rental rates are increasing faster than HUD fair market rental values. Relocation allowances for long-term tenancies of 10 years or more are also being increased by 10% for every year after the tenth year until reaching a 100% increase after 20 years.

REASON WHY LEGISLATION IS NEEDED

The Tenant Protection Ordinance, adopted in 2004, was identified as in need of strengthening in the 2014-2021, Housing Element of the City's General Plan. The changes expanding and enhancing the Ordinance are intended to provide more assistance to displaced tenants and to keep pace with the rapidly rising rental housing market as directed by the City Council. Adoption of this Ordinance is necessary to carry out the Council's direction.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED

The Housing Department anticipates an increase in the number of tenants eligible for relocation and moving expense allowance. Additional expenses will be borne by those landlords acquiring rental units and then terminating tenancies through large rent increases and evictions and those that terminate long-term tenancies of more than 10 years.


FISCAL IMPACT

No direct fiscal impact on the City's General Fund is anticipated.


Respectfully submitted,


Michele Beal Bagneris
City Attorney

Prepared by:


Brad L. Fuller
Assistant City Attorney

Concurrence:


Steve Mermell
City Manager