From:

Sent:

Friday, August 05, 2022 10:40 AM

To:

PublicComment-AutoResponse; Jomsky, Mark

Subject:

Comment on Proposed Rent Control Question to be Placed on the November 8, 2022

Ballot

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Dear Mayor Gordo and City Council members,

Firstly, I would like to thank City staff for putting together a clear and concise draft ballot question for the Pasadena Fair and Equitable Housing Charter Amendment, which is a substantial amendment encompassing rent control, just cause eviction criteria, as well as the creation of a rental board and rental housing registry. In particular, we citizen proponents appreciate the effort that city clerk Mark Jomsky has taken to ensure this process goes smoothly at every stage by informing us of the relevant procedures and timelines.

As a lawyer with decades of experience in housing and tenant issues, I have three minor suggestions that I feel will help clarify the question for Pasadena voters, especially in light of the already complex patchwork of tenant protections that exists across several jurisdictions.

- 1. Clarify that the allowed annual general adjustment in rent is tied to the year-over-year *increase* in the Consumer Price Index. The Consumer Price Index is a number reflecting the market value of a standard basket of goods, and it is the increase of the CPI over a certain period of time which gives a measurement of inflation, rather than the CPI itself.
- 2. Clarify that the rent control part of the law exempts single family homes per the state Costa Hawkins Rental Housing Act, in addition to units built after February 1st 1995. I feel this is an important exemption to point out for local Pasadena homeowners and landlords who may own one additional single family home and be concerned about how the proposed amendment will affect them.
- 3. Enumerate some specific examples of the just cause for eviction criteria. In my experience speaking with Pasadena residents, the parlance of "just cause criteria" is not widely understood. It may help voters to understand the substance of the proposal to give some examples of the most relevant just cause criteria.

Taking these three suggestions together, I propose the following slightly modified language.

Shall an amendment to the Pasadena City Charter limiting rent increases in the City of Pasadena annually to 75% of the **increase in** Consumer Price Index for most rental units, **exempting those built after** before February 1st 1995 **and single family homes**, creating an independent Rental Housing Board appointed by the City Council, as well as setting its members' initial compensation, and prohibiting evictions from most rental units, except for just cause based on 11 criteria **including non-payment of rent, breach of lease, and owner move-in**, be adopted?

Once again, I thank the city staff for their hard work on this citizen initiative, and your dedication to getting fair and clear information before the voters of Pasadena.

Sincerely,
Michelle White
Executive Director of Affordable Housing Services

08/06/22

2022 AUG -8 AM 8: 22

To whom it may concern,

The proposed Pasadena rent control amendment:

CITY CLERK CITY OF PASADENA

Will exacerbate the lack of available housing we are already experiencing here in Pasadena.

Creates a huge bureaucracy that is estimated to cost over 5 million dollars to fund. The estimated per unit administration fee to be charged by the housing authority is very expensive. And, there is no cap on how much the housing authority can spend or how much property owners will be charged.

This amendment effects homes (rented over 12 months), condo's, apartments and it reserves the right to include "additional properties" such as business property.

It allows risky credit worthy sub lessees to occupy a unit.

Rent increases would not be allowed if the CPI is 0. A housing provider's operating expenses still keep increasing. Only lately has their been a higher CPI. From 2010-2020 the CPI was very low. 75% of a low CPI does not keep up with the cost of operating a building let alone a yearly per unit tax by the housing authority. Please check the history of CPI's in LA county. Housing providers will have a very hard time running their business's.

The proposed installation of the rental housing board members seems like a classic case of gerrymandering. The amendment requires 7 out of 11 members be tenants "none of whom may have a material interest in rental property". With no knowledge of the complexities of the business of being a housing provider I see a board who may show favoritism, create confusion and problems.

A rental registry will be required asking for personal information about property owners and tenants.

California already has state wide rent control and just cause eviction.

Many of us apartment owners have to spend upwards of hundreds of thousands of dollars for the city's retrofit mandate. And, many of us will also be spending thousands of dollars on the state's balcony mandate. Besides these extraordinary costs older buildings need updating and our operating costs continue to increase without any limits.

The authors of this proposed rent control amendment seem to have only been concerned with what they want and not the realities of real property ownership. This amendment is not fair and equitable and will cause many hardships for both tenants and housing providers.

Sincerely,

Paul D. DeJoseph
Pasadena Resident
Licensed Real Estate Broker
Realtor since 1974
Past President of the Foothill Apartment Association

From:

Eloise Kaeck -

Sent:

Sunday, August 07, 2022 9:52 AM

To:

PublicComment-AutoResponse

Subject:

in favor of rent control and just eviction

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I would like to see Pasadena join other progressive cities to have rent control and just eviction in its laws. As an active member of the Summit Heights Neighborhood Association, I hear about abuses landlords do to tenants. No tenant I know can afford a lawyer to represent their interests; and the renters do not know of or can't access other help. They are kicked out or forced to obey the landlord. There are roofs that need to be repaired; rents raised unfairly and more. Please keep neighborhoods like ours affordable and diverse.

Thank you,

eloise Kaeck

From:

Sent:

Sunday, August 07, 2022 6:04 PM

To:

Gordo, Victor; Rivas, Jessica; Wilson, Andy; Hampton, Tyron; Madison, Steve; Williams,

Felicia; Masuda, Gene; PublicComment-AutoResponse

Subject:

Item 12: Rent Control

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Dear Honorable Mayor and Council members,

I am urging you to follow the recommendations of the Mayor's Task Force and support rent control, a measure that is desperately needed in our city. Today's headline in the Pasadena Star News says that :"rent surge continues." This could lead to increased homelessness. In a 2020 study, researchers at the U.S. Government Accountability Office estimated that "a \$100 increase in median rent was associated with a 9% increase in the estimated homelessness rate."

Corporate landlords from outside our city are not only raising rents, some are evicting tenants for "renovations," as recently happened with Helix and Phamily sending eviction notices to over a hundred tenants. When tenants fought back and informed them of the LA County law banning non-fault evictions till the end of the year, Helix rescinded these evictions because they knew they were on shaky legal ground. But tenants will no doubt face eviction at the beginning of next year if rent control isn't passed.

Surging rents are hitting people of color especially hard, since they comprise the majority of renters.

A lot of research not cited in the staff report shows the positive effects of rent control.

- 1) **Rent control promotes racial equity.** This is especially important in out city where half of the African American population has left in part because of surging rents and gentrification and many Latinos are rent-burdened, paying more than a third of their income on rent. https://shelterforce.org/2020/04/02/how-rent-control-promotes-racial-equity/
- 2) Studies debunk the oft cited Stanford study showing the flaws of rent control. According to <u>Dean Preston</u> and <u>Shanti Singh</u>, "The Stanford paper, <u>The Effects of Rent Control Expansion on Tenants, Landlords and Inequality: Evidence from San Francisco</u>, is part hard data, part flawed methodology, and part misguided editorializing. While the data portion of the report documents the direct and substantial benefits of rent control in achieving its purposes, the balance of the paper uses flawed assumptions and conjecture to conclude that the direct, proven benefits of rent control are somehow negated by indirect effects. The result is a paper that is at best ill-informed and at worst flat-out biased." https://shelterforce.org/2018/03/28/rent-control-works/

I urge you to be either neutral or support rent control. This is not only good policy, it is also what you constituents are demanding and desperately need. Over 60% of Pasadena residents are renters and they need the protection that this rent control measure provide.

**Anthony Manousos** 

From:

Baron Castillo

Sent:

Sunday, August 07, 2022 8:22 PM

To:

PublicComment-AutoResponse; Baron Castillo

Subject:

City of Pasadena Rent Control Comment

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Most Cities in California have voted rent control down, probably because they did the math and have seen what rent control has done to L.A.

The bill will restrict landlords from raising rents by more than 5 percent plus the Consumer Price Index (which averages about 2.5 percent in the state), so about 7.5 to 8 percent yearly rental increases will be possible!

Rent Control Math:

Pasadean 2 bed 1 bath average rent \$2,200

$$Yr 1. \$2,200 \times 8\% = \$176$$

$$Yr 2. \$2,376 \times 8\% = \$190$$

$$Yr 3. \$2,566 \times 8\% = \$205$$

$$Yr 4. \$2,771 \times 8\% = \$221$$

$$Yr 5. \$2,992 \times 8\% = \$239$$

$$Yr 6. \$3,231 \times 8\% = \$258$$

$$Yr 7. \$3,489 \times 8\% = \$279$$

$$Yr 8. \$3,768 \times 8\% = \$301$$

$$Yr 9. \$4,069 \times 8\% = \$325$$

 $Yr 10. \$4,394 \times 8\% = \$351$ 

 $Yr 11. \$4,745 \times 8\% = \$379$ 

 $Yr 12. \$5,124 \times 8\% = \$409$ 

 $Yr 13. \$5,533 \times 8\% = \$442$ 

 $Yr 14. \$5,975 \times 8\% = \$478$ 

Yr 15. \$6,453

Doubles in 10 Years!

I know property owners, who have not raised their rent in 10 years. With rent control, they are more likely to raise the rent, because if they don't they will not be able to catch up on the market rent and properties prices are based on the rental income. It should not be called rent control, it should be rent increase.

Sincerely, Baron Castillo

Baron Castillo / Broker Lic.00646611 Apartment Building Investments Cell. 818-605-2626 BaronCastillo@gmail.com www.ApartmentBuildingInvestments.com

From:

Mindy Pfeiffer

Sent: To: Sunday, August 07, 2022 8:51 PM PublicComment-AutoResponse

Subject:

Rent Control

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My name is Mindy Pfeiffer, and I have been a home owner in District 5 since 1980. I am writing today to urge the City Council to affirm support of the rent control initiative, items 11-13 on the August 8, 2022 agenda. Rent control will help working class and low income people to be able to continue living in Pasadena instead of causing them to move out of the city, or to even become homeless

The ridiculosly high rents are a major factor in the reduction of a healthy and sustainable population of PUSD-eligible school children. People who work in minimum wage jobs, and professionals such as teachers and nurses, can no longer afford to live in Pasadena. In addition, longer commutes add to traffic and pollution, and create a situation where people who want to continue to make Pasadena their home are forced to move away to less expensive areas. This certainly was not the case when I moved here in 1980, and it should not be the case now!

Thank you for taking my comments into consideration.

Mindy Pfeiffer

From:

Gloria Newton

Sent:

Monday, August 08, 2022 10:27 AM

To:

PublicComment-AutoResponse

Subject:

Items 11-13: Support for the Pasadena Fair and Equitable charter amendment

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Dear Mayor Gordo and City Council members,

I am a homeowner in District 3 and a 34-year resident of Pasadena.

I strongly support the Pasadena Fair and Equitable charter amendment, and urge you to take a favorable position as well.

Doing otherwise would send the message that you do NOT believe that over 60% of Pasadena residents should be protected from rent increases that vastly outpace wage and inflation increases. It would send the message that the Pasadena City Council favors the interests of a privileged minority (rental property owners) over the lives and livelihoods of working Pasadenans who can't build up the equity in order to purchase property of their own. It would show that corporate landlords and rental companies are more important to our city leaders than the hard working people who contribute to our city's economic, cultural, and societal fabric.

I became a homeowner in part due to generational wealth that was passed down to me by my grandparents. It was not because I worked harder or am smarter than anyone else. I do not deserve to own my home any more than the tens of thousands of people in my city who are renters. Therefore, I support any measures possible that can protect citizens who are more vulnerable to decisions about their housing situations that are in the control of others.

I urge you, as a council, to call the vote for this charter amendment on the November 8 ballot, and join the 50 organizations, elected officials, two former mayors, a former city council member, and dozens of community leaders who support this measure for justice and equality in Pasadena's housing system.

Best regards, Gloria Newton

\*\*\*\*\*\*\*

Pasadena, CA 91101

"Each time a person reaches across caste and makes a connection, it helps to break the back of caste. Multiplied by millions in a given day, it becomes the flap of a butterfly wing that shifts the air and builds to a hurricane across an ocean."--Isabel Wilkerson, Caste

08/08/2022 Item 11, 12, 13

From:

Jessica Workman

Sent:

Monday, August 08, 2022 12:27 PM

To:

PublicComment-AutoResponse

Subject:

Citizen Statement for the Record - City Council Meeting 8/8

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August 8, 2022 Citizen Statement for the Record Pasadena City Council Meeting

## To Whom It May Concern:

My name is Jessica Workman, and I am a resident of Northwest Pasadena. Helix Real Estate began managing my apartment building in November 2021, and in July 2022 they attempted to unlawfully evict nearly 200 community members in order to renovate our buildings into luxury apartments.

I first moved into my apartment in this neighborhood 9 years ago, when I was 22. I had just come to Los Angeles the year before to participate in a volunteer program through the Episcopal church. I fell in love with L.A. and decided to do whatever I could to stay and get my first place on my own, even though all of my family was back on the East Coast. I got a job working downtown but I didn't have a car, so I needed to live somewhere close enough to walk to the Metro. I picked Pasadena because of its beautiful green parks and vibrant Old Town.

I moved into my apartment with little more than a few suitcases and a borrowed air mattress. The rent was *almost* more than I could afford, and it took me years to furnish it, buy a car, pay off my student loans, and establish my career. In that decade, my apartment became my *home*. My best friends and their children live down the block from me; every Friday night I walk over, and we have dinner together. In that decade, *Pasadena* became my home, and the affordable rent in *this* neighborhood in Northwest Pasadena made all of that possible.

It was incredibly upsetting to be told I had to leave my home in 60 days because it was being remodeled into luxury apartments. The new rent would be more than a 115% increase from what I currently pay. I am not opposed to my landlords or rental management companies making a reasonable return on their properties, but this neighborhood does not need luxury apartments. Especially as we stand on the brink of a recession, the local economy in Pasadena needs affordable housing so that consumers will continue to spend any disposable income they do have. The alternative for any tenants in a shaky financial position as we continue to weather the economic effects of the pandemic we just survived in these homes, could very well be homelessness.

We are not yet through this crisis. The County of Los Angeles has recognized that. Whether through ignorance or malice motivated by greed, Helix Real Estate Management attempted to prematurely circumvent the County's resolution that is in effect until the end of this calendar year. They caused weeks' worth of distress and upheaval to hundreds of your neighbors, many of whom are elderly or disabled, and many of whom believed what Helix told them and have already been displaced.

Helix has already closed in on us. I've worked from home every day for the last 2 and a half years because of COVID. Now that Helix has convinced some of our neighbors to leave, I sit through construction noise for forty-eight hours a week with regular water shut offs and electricity failures, and the gated building I once felt

so secure in is frequently left unsecured at the end of the day by workers who come and go, seemingly not caring that these are our *homes*.

I wasn't ready to leave my home when I got this notice, but to know that we were put through all of this unnecessarily is infuriating. At best, Helix was incredibly careless; at worst, they deliberately attempted to take advantage of hundreds of your neighbors.

It's my hope that rent control will pass in November, and that evictions of this kind won't be permitted in Pasadena even after the New Year unless the tenants who are displaced are given the first right to return at the same or a *reasonably* increased rent.

"Renovictions" like the one I will be subjected to if rent control doesn't pass are what trap hardworking individuals into a lifetime cycle of renting as opposed to home ownership. I have done the responsible thing and stayed in this apartment for nearly a decade, even as my income increased, because I wanted desperately to pay off my student loans and establish my career before saving to buy my first home in Pasadena. Forcing me into a higher-cost apartment at this point could set me back for **years** because my ability to save will be deeply impacted.

Rent control is good for our community. It creates a stable tenant base, with renters feeling more engaged and involved in their city, and it protects historic neighborhoods such as Northwest Pasadena that are vulnerable to gentrification from outside developers who frankly don't care about the people who have built their lives here.

We sincerely request your support in protecting our homes and our neighborhood. Please do not oppose the November measure; let your neighbors know that they and their homes are worth fighting for.

Thank You.

-					
-	r	റ	m	n	•

Deborah Lutz

Sent:

Monday, August 08, 2022 1:17 PM

To:

PublicComment-AutoResponse

Subject:

City Council- Do NOT endorse Rent Control Ballot Measure

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As someone who has worked in Property Management for over 30 years and am currently an essential housing provider in the City of Pasadena I urge you NOT to support the Ballot Measure.

This measure is over reaching and will cost the City of Pasadena millions of dollars in litigation costs over the next several years.

Many of the regulations outlined in the Ballot Measure result in costly litigation because they violate the housing providers rights. According to the Ballot Measure the Board (comprised of individuals with no stated financial competency requirements and likely no Property Management Experience) the right to hire outside legal counsel (without permission from City Council) and The City of Pasadena would be required to pay the bill.

In neighboring cities such as Highland Park and Eagle Rock (City of LA Rent Control) rent prices are even higher than Pasadena.

Basic Tenant Protections and Rent Control (such as AB1482) are good and fair. Stricter rent control forces more and more housing providers to raise rent annually whereas in the past most of us did not.

Stricter Rent Control and Tenant Protections will NOT keep rent lower for the majority of residents.

There are AB1482 as Well as City Of Pasadena Tenant Protection Ordinance policies already in place. If these regulations were enforced then most issued would be addressed.

I realize that you have no power to stop the Ballot Measure, YET, endorsing it is a whole other thing.

Our residents need to hear from the voices of reason WHY the current Ballot Measure is Bad for Pasadena.

Please Vote NOT to Endorse the Ballot Measure.

Sincerely,

Deborah Lutz

Deborah Lutz

From:

ellen finkelpearl

Sent:

Monday, August 08, 2022 1:45 PM

To:

PublicComment-AutoResponse

Subject:

Rent Control items 11-13 today's agenda

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### Dear Councilmembers,

I strongly support the rent control measure even though I am a homeowner. Rent control is needed in this city. Rents are rising far faster than wages. While I am a homeowner, my son rents an apartment and when he was still working and earning well above minimum wage, there was no way he could have paid the relatively low rent without help from his parents. The measure rightly restricts rent increases to a rate below inflation because Pasadena is already unaffordable for many working people. This should not be a city restricted to the wealthy.

Second, I am surprised that the City Council would be considering taking a position on an issue that is going to go to the voters and which qualified for the ballot as a result of the hard work of many citizens gathering signatures on their weekends. Clearly, the measure has strong support in the community. It seems undemocratic for the Council even to consider such a move, particularly since there is a conflict of interest, as several councilmembers are landlords and, if I am not mistaken, none are renters. However, I suppose you could consider a motion to SUPPORT rent control because there will doubtless be heavy opposition and leafletting by monied interests as the election nears, spreading false information about the effect of rent control on other cities. So go ahead and make a statement in support of the measure; to tell voters to vote it down would be unethical.

Ellen Finkelpearl

Pasadena

Ellen Finkelpearl Pasadena

From:

**Elbert Newton** 

Sent:

Monday, August 08, 2022 2:52 PM

To:

PublicComment-AutoResponse

Subject:

item 12, rent control (is the council opposed, in favor or neutral?)

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## Dear Mayor and City Council

Rents are rising widely out of proportion to the overall rate of inflation. The median gross rent in Pasadena has increased by 32% between 2012 and 2018 while the Consumer Price Index has increased by 12.4% over the same period, resulting in an effective 17.5% increase in median rent in 2018 inflation-adjusted dollars between 2012 and 2018.

The pain of renting falls disproportionately on Black and Brown families—69.7% of African American households are renters while 67.7% of Hispanic or Latino households are renters.

The rising cost of housing is the #1 reason for homelessness

Over 15,000 Pasadena voters signed the rent control petition to get rent control on the ballot

Please support Rent Control in Pasadena!

Bert Newton Pasadena

From:

Allison Henry

Sent:

Monday, August 08, 2022 2:57 PM

To:

Hampton, Tyron; PublicComment-AutoResponse; Masuda, Gene; Gordo, Victor;

Williams, Felicia; Rivas, Jessica; Wilson, Andy; Madison, Steve

Subject:

Aug 8, 2022 Council Agenda Comments items 11 and 12

**Attachments:** 

7-18-22 Housing Element Pasadena City Coucil Comments.pdf

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August 8, 2022 City Council Meeting Agenda items #11 &#12

Dear Mayor and Council Members,

My name is Allison Henry, you all know me by now. I have supplied in pretty much every and any meeting on housing my comments regarding the DATA that supports a rent stabilization policy. I have attached my July 18, 2022 letter. The data is from our own housing element.

Understanding that these agenda items are because of a widely supported policy on the ballot, this letter is to ask that you support in all ways you can, which means having a plan or policy ready and systems analyyzed to make rent stabilization happen in our city. What is currently on offer is not sustainable, and in every way possible this is what local control is about.

But I would also like to offer a lens of analysis to make you rethink what public safety means. Thank you for considering my comments.

What is the cost of protecting residents?

A People's Budget-style Analysis of Proposed Costs Associated with a comprehensive Rent Stabilization Program

Earlier this year I was part of a team of local community residents that presented a Pasadena Budget Teach-In. It is in the vein of a care and community first budget, where public safety includes protecting tenant residents. What is the value the city places on protecting tenants' rights?

Attached to the City Council August 8, 2022 agenda item 11 is a report that presents projected costs of the program laid out in the Charter Amendment by Management Partners. That cost is \$5.7M total which includes one-time start-up costs. The yearly, ongoing estimated cost according to Management Partners Report is \$5.4M (see pg 5 of report). The estimated population affected by this policy, which includes approximately 31,316 housing units with 2+ residents in each unit, is 75,000. 75,000 Pasadena residents at a minimum would be protected by these policies and infrastructure. That works out to \$166 per resident tenant per year. Put another way—to protect tenants for an entire year, is \$166.00 per tenant for 12 months. This cost is less expensive than:

- 1) \$664.00--the per person per year cost for police services. Note this cost is per resident including all residents. Per the 20222 Budget (pg 27), the Police budget is \$92,795,000. Pasadena population from the census is 139,725 people.
  - 2) the per person cost for hotel vouchers for one night.

If we view this policy and infrastructure as a type of public safety and expand the cost calculation to include all residents of Pasadena, the cost of such a program is \$38.64 per Pasadena resident, per year. And why can't we think of public safety to include things like safe and stable housing?

Viewed as a cost to landlords, it's estimated at \$184 per dwelling unit and cannot be passed along to the tenant. \$184 is a reasonable business expense for owners, and one that contributes to Pasadena infrastructure that benefits them also.

One very meaningful way to combat homelessness is to stem the incoming tide. More people come into homelessness than exit it. We are also hemorrhaging community members who contribute to our community and bring related economic benefit.

The report estimates that to staff the program will require 26 full time employees at approximately \$157K/year in wages and benefits—but this is doing a quick calculation on everyone getting paid equally. I would content that omissions in the repot in looking at cost and FTE status were:

- 1)There was no analysis of synergies with existing infrastructure, departments, knowledge, or personnel but that may be because of the chain of command/reporting of the rental board;
- 2) There was no discussion of seeking to leverage what the charter amendment proposes to support other current tenant-resident issues being handled by the Community Services Division.

In Pasadena we pay more than just lip service to ideas like neighborhoods, public safety, and fighting homelessness—we pay a lot of money. And in parts of our city, residents and neighbors would welcome some regulation, oversight, and compliance support against slumlords. This is not to say that all landlords are slumlords. But it is a strong statement that we do have slumlords in the city. \$5.4M is a bargain to protect at least 75,000 residents of this city against unjust eviction and rent hikes that cause displacement and homelessness. Whether it is through a ballot initiative or later actions by council, rent stabilization is needed in Pasadena. This report provides one important opportunity to begin to envision the infrastructure and support that will ensure safety and stability for all residents of Pasadena, especially the tenant majority. And this is also the decision point in the road for council—what are your values? Who do you value? If you are not for this charter amendment, what are you going to offer the tenants in our city? Because the current state rent cap on offer to high and unsustainable. What is the local control offer being proffered by council to protect the majority of its residents?

Sincerely, Allison Henry D3 Tenant Resident Housing Task Force Member July 18, 2022 Comment re Housing Element City Council

Dear Mayor and City Council,

My name is Allison Henry. I am a long-time tenant resident of district 3, a tenant organizer, member of the Garfield Heights Neighborhood Association, and member of Mayor Gordo's Housing Task Force. I want to thank city staff and my fellow task force members for the time devoted to meetings and consideration of the Housing Element. I am submitting my own comments on the housing element. But I note that the Mayor's Task Force recommended retaining rent stabilization in the housing element and staff opted not to include it.

Before I present specific policies (below), I want to make an observation about the housing element. Pasadena's Housing Element has many strengths, and I am grateful to staff for their work. But the element overall feels like there is more preservation of buildings rather than the people in them. This does not feel like a preservation, protection, and planning document for a tenant majority city. The community have on many occasions offered suggestions for better tenant protections, and almost none of that is reflected in this housing element. Housing is for people. I hope that is always considered in this discussion. This housing element needs to better represent and protect the tenant majority of Pasadena.

#### **Rent Stabilization**

I want to highlight the urgency and need for rent stabilization and stronger tenant protections— "The Fierce Urgency of Now" as Dr. King said. The 6th Cycle Housing Element is indeed the best documentation of why NOW is the time to protect tenants and want to encourage the Planning Commission to consider the recommendation of the Housing Task Force re that timeline. Tenants cannot wait! We know from the data in the housing element that those being pushed to the street are seniors, families, and tenants already burdened with housing costs.

The 6th Cycle Housing Element lays out the best case for the city to enact rent stabilization and just cause ordinances immediately. we have heard first hand of legal rent increases that jeopardize housing and stability for tenants. The legal increase are still too high! The state rent cap is still too high at 5%+CPI, which for this year in LA County was 8.6% **but will be 10% August 1, 2022** for properties that qualified. A local city stabilization ordinance should consider 2%-3% given the already high cost of rental housing in Pasadena.

That instability has implications for all of the community such as school district enrollment; employee retention; ability to participate in democracy; more tents and humans on the streets of Pasadena. Those implications cost the community and only add to the urgency of immediate action now for Pasadena tenants and residents. Other jurisdictions have included rent stabilization in their elements (Pomona, Victorville) while others have brought in rent stabilization through council-led legislation (Culver City, Baldwin Park, Oxnard).

The Pasadena Housing Element states that 50% of Pasadena renter households over-pay for housing (Appendix A, p A-6), with 77% of lower income households (those at 80% AMI and lower) overpaying for housing.

See Table A-6 Below:

Table A-6: Household Characteristics by Tenure

Household Characteristic	Owner Households	Percentage	Renter Households	Percentage	All Households	Percentage
Number of Households <sup>1</sup>	23,396	43%	30,998	57%	54,394	100%
Median Household Income <sup>1</sup>	\$ 118,264		\$ 57,406		\$ 78,941	
Household Income Cat	egories²					
Extremely Low Income (0-30% AMI)	2,055	9%	7,455	24%	9,510	17%
Very Low Income (30-50% AMI)	1,300	5%	4,300	14%	5,600	10%
Low Income (50-80% AMI)	2,200	9%	4,670	15%	6,870	13%
Moderate Income (80-100% AMI)	1,865	8%	3,515	11%	5,380	10%
Above Moderate Income (100% + AMI)	16,455	69%	10,925	35%	27,380	50%
Total	23,870		30,860		54,735	
Overpayment						
All Households Overpaying for Housing <sup>2</sup>	7,720	32%	15,450	50%	23,170	42%
Lower-Income Households Overpaying for Housing (*0-80%) <sup>2</sup>	3,910	70%	12,935	79%	16,845	77%

Source<sup>1</sup>: US Census Bureau, American Community Survey 2014-2018 5-year estimates

Source2: U.S. Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS) Tables 2013-2017

Source3: Southern California Association of Governments (SCAG) 2023 - 2031 Regional Housing Needs Allocation (RHNA)

#### As the Housing Element notes on pg 13:

"In 2017, 56 percent of all Pasadena households experienced housing cost burden, meaning more than 30 percent of household income was spent on rent or a mortgage. This degree of overpayment means that many people face having to cut back severely—or forego—spending on healthcare, education, and other life needs."

Appendix A, pg 5 presents the rent burden clearly:

"For renter households, extremely low-income households represent 24 percent of renters. This high percentage illustrates a critical need for housing for persons at the very low end of the income scale. Given their income levels, these households likely face very high cost burdens and live in overcrowded and possibly substandard units. Some may be unhoused. *The City's Inclusionary Housing Ordinance does not specifically* 

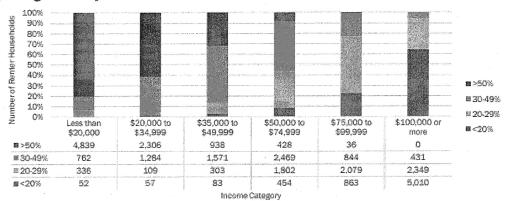
address extremely low-income households; they are included among the very low-income category. Programs focused on assistance to homeless individuals and families do not address all needs in the community. A gap exists between the housing needs of extremely low-income households and available resources to meet their needs Housing Overpayment."

In Pasadena, 42 percent of households are considered cost burdened (per 2018 data), with lower-income renter households experiencing the highest rate of overpayment at 79 percent." (Appendix A, p A-5).

The Housing Element does not get any detailed analysis beyond the 30% mark on cost burden. But the SCAG Pre-Certified Pasadena Housing Data (prepared August 2020) does: <a href="https://scag.ca.gov/sites/main/files/file-attachments/pasadena">https://scag.ca.gov/sites/main/files/file-attachments/pasadena</a> he 0920.pdf?1603171877

See specifically pages 14-15 of this report. The city opted to not include this information in the Housing Element.

#### Spending on Rent by Income

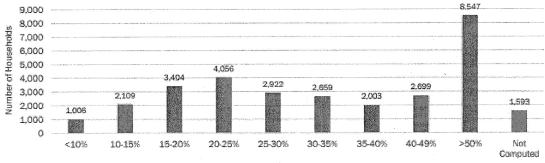


American Community Survey 2014-2018 5-year estimates.

While the previous table breaks down cost burden by area-relative income, the ACS also allows for the analysis of Pasadena's 29,405 renter households (for which income data are available) by spending on rent by income bracket (dollar amounts). As one might expect, the general trend is that low-income households spend a higher share of income on housing (e.g. over 50%) while high-income households are more likely to spend under 20% of income on housing.

Housing cost burden is most commonly measured as the percentage of gross income spent on housing, with 30% a usual threshold for 'cost burden' and 50% the threshold for 'severe cost burden.' However, a lower-income household spending the same percent of income on housing as a higher-income household will likely experience more true 'cost burden.' These data indicate the number of households in Pasadena by their income relative to the surrounding area and their share of income spent on housing.

#### Spending on Rent



Percent of Income Spent on Rent

Across Pasadena's 30,998 renter households, 15,908 (51.3%) spend thirty percent or more of gross income on housing cost, compared to 55.3% in the SCAG region. Additionally, 8,547 renter households in Pasadena (27.6%) spend fifty percent or more of gross income on housing cost, compared to 28.9% in the SCAG region.

Overpayment is a trend that has gotten worse over the years and likely to continue:

"According to a study produced by the Terner Center at UC Berkeley, across the United States, the high costs of developing subsidized housing hinders efforts to address the affordability crisis of low- and moderate income families and provide homes for unhoused individuals. The number of people overpaying for housing remains at historically high levels, and after many years of decline, homelessness has been on the rise in California." (Appendix C, p C-2).

Data from providers like Friends in Deed and Lake Ave Church who have shared that they have more rental assistance requests than they can handle. From the 2021 Parks, Rec, and Community Services budget that **27,000 food-insecure Pasadena** residents received food assistance: the rent ate first for many.

Rent stabilization is policy that can assist the majority of residents in this city, and it would be unfortunate to ignore the data in the Housing Element. This policy is also a means to stabilize community, protect seniors and other identified vulnerable households.

#### **Renovations and Stronger Just Cause Protections**

The Pasadena Tenant Protection ordinance needs to be improved to hold landlords to account for "renovations" and make it difficult to use that as a means of evicting long-term tenants. This is often referred to as a "renoviction." Renovations are a loophole allowed under the Tenant Protection Act of 2019 (AB 1482). In our community we have seen multiple tenants evicted this way. Indeed, there is a strong correlation between substandard conditions, high rents, and "renovations" that indicate class and race bias. The real result: low-income, long-time tenants paying a lot of their wages for crummy apartments and then, eventually turned out. Two examples stand out for me personally: a set of apartments in a house on N. Marengo in Garfield Heights, and a multi-unit building on E. California. The complex on E. Washington (the tenants were known as "The Washington 16") was the painful example that brought in Pasadena's Tenant Protection Ordinance.

Recommendations to close this renovation loophole: verifiable demonstration that renovation requires moveout to include: permits issued; workplans; and proof of notices/payment plan/options to tenant. South Pasadena recently created such a protection and would be one example to research.

The way that households are recognized in the Pasadena Tenant Protection Ordinance does not recognize the reality and complexity of household composition in an expensive market. Income levels need to be revisited, if they are included at all as a qualifying benchmark.

#### **Tenant Right to Counsel**

Pasadena tenants are still ending up in court despite protections and getting an attorney proves very difficult. Tenant right to counsel is another anti displacement tool. The element relies solely on the Housing Rights Center to provide legal support for tenants. But that ignores the reality of the limited scope of work the Housing Rights Center can engage in. Many tenants who need legal assistance are unable to utilize the Housing Rights Center and still face unlawful evictions. Pasadena's housing element cites case of discrimination, see Appendix F, pages F1-F2. Those are cases that were taken by HRC—and we have no way of knowing how many faced discrimination and did not reach out to HRC. Families with children, especially female heads of households are disproportionately targeted for eviction. \* May 2021, The New Republic.

I am also attaching my neighbor's eviction notice, this is where the sheriff's show up to enforce. Note that is dated for 6/7—Election Day. Two units of this building on N Los Robles had tenants evicted.

They needed attorneys, they were awaiting Housing is Key funds.

# COUNTY OF LOS ANGELES SHERIFF'S DEPARTMENT COURT SERVICES DIVISION

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#### **Enforcement mechanisms:**

Housing Rights and Code Compliance Officer—a position like the minimum-wage enforcement, but for the housing rights and code compliance that are law in Pasadena. Per the 2021 Parks, Rec, and Community Services Budget notes, over 4,000 residents were assisted by Community Services representatives for things including harassment, violation of Pasadena Tenant Protection Ordinance, and repeated code violations. The number in the 2022 Budget states 3,449 but I do note that housing advocacy is not included in the list. But I know that Community Services reps are helping tenants with issues. What is the number related to tenants assisted for 2022?

### **Enforcement tool/revenue tool:**

**Create a revenue-generating Rental Registry** to allow the tracking of code violations, illegal notices, rent increases and evictions, and to ensure that the inspections required every four years are performed.

Pasadena does not have a full record of, nor does it track the rental residential properties in the city. The Community Services Division works with tenants whose landlords are not compliant, and in some cases uncooperative, with health, safety, and building codes. The city lacks a key tool that can provide data and clarity around the exact number, condition, and cost of rental residences. The rental registry would generate revenue by charging landlords a fee for each unit rented. The city could prohibit the pass-through of those costs to tenants and use the funds for additional housing support and homeless prevention like legal counsel to tenants facing eviction and a rental assistance fund. The registry can also track bad actors and assist in levying fines to landlords in violation of local and state laws around rent increases; reasons for eviction; and code violations that negatively impact safe and healthy housing. Currently, there is no way of tracking the rental housing stock in Pasadena, it's costs and conditions over time, and ways to ensure that residents are in healthy living conditions. Community Services spends a lot of time helping tenants with these very issues.

#### **Funding Solutions:**

Vacancy Tax: A vacancy tax called the Oakland Vacant Property Tax (VPT) was passed by the City of Oakland in 2018. The VPT Act establishes an annual tax of \$3,000 to \$6,000 on vacant property. The City of Oakland defined its own definition of "vacancy" which each city will do for themselves. The City of Oakland VPT covers both residential and nonresidential property types. City of Oakland Vacant Property Tax. Report to City of Los Angeles Council about vacancy tax applicability to the city.

Transfer Tax: "Real estate transfer taxes are assessed on the sale value of a property when it changes ownership. These taxes are sometimes designed as a fee rather than a tax. For example, LA County collects a minimal transfer tax of 0.11% or \$1.10 per \$1,000 of the sale price. The revenue potential for transfer taxes can be large. The revenues could be spent on a variety of important local efforts including low-income housing construction and rehabilitation, supportive housing and shelters, as well as services for unhoused residents, acquisition of land and at-risk rental properties, rental housing assistance including Housing Choice vouchers, and legal representation for tenants facing eviction or slum conditions." Report from Shane Phillips (UCLA) on Real Estate Transfer Tax Reform.

We need to lean in on all options because we are not going to build our way out of the housing crisis, and all residents have a right to housing. Thank you for your consideration of these solutions. We have the data to know better, so we need to do better to keep current and future Pasadena residents housed and thriving in community.

Sincerely,

Allison Henry

From:

Martha Ruffman

Sent:

Monday, August 08, 2022 3:40 PM

To:

PublicComment-AutoResponse

Subject:

Rent Control Initiative

Some people who received this message don't often get email from

. Learn why this is important

**CAUTION:** This email was delivered from the Internet. Do not click links or open attachments unless you **know** the content is safe. Report phish using the Phish Alert Button. <u>Learn more...</u>.

My name is Martha Ruffman. I am a District Two, Pasadena, resident. I urge the City Council to affirm support of the rent control initiative, items 11-13, on the August 8, 2022, agenda.

It is critical for the livability, diversity and soul of our community, not to mention the City's economic health, that Pasadena does everything in its power to make this a pleasant and affordable place for all. Rent control is one powerful step that must be taken to insure those who work here can live here.

Thank you