

CORRESPONDENCE

Sabha, Tamer

From: Adam Bray-Ali
Sent: Friday, December 1, 2023 9:23 AM
To: PublicComment-AutoResponse
Cc: Adam Bray-Ali
Subject: Public comment - Item #17 - City Council meeting December 4, 2023

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Good morning,

I read with some confusion the agenda item #17 for your upcoming meeting on December 4, 2023 related to the Rental Housing Board and their desire to rewrite the Measure H Charter Amendment and have the city of Pasadena create a new department to administer the duties assigned to the Rental Housing Board.

There is no longer a period of review to be made after 12 months as proposed in earlier meetings.

Why was that review period removed in the proposed ordinance?

As you likely know, the Rental Housing Board, appointed by your city council, have met for 6 months and has agreed to spend more than \$750,000 for consultants, legal advice and PR work in addition to their own operating expenses. They were advanced \$500,000 by the city in 2023 and appear to be preparing for another request of \$500,000 in the coming weeks.

While I applaud the goal of proper oversight and governance to this trainwreck of a law, the city is now making a decision to not follow the actual charter as voted in with Measure H and doing so without consideration of if this should be allowed or reviewed.

The entire Measure H Charter Amendment was written by tenant's rights groups as a dream measure filled with costly taxes, fees, and requirements along with a clearly damaging lack of oversight for the Rental Housing Board who remain unaware of even the most basic dynamics of the real estate industry and marketplace. In recent meetings, the RHB has appeared confused on how to find out who owns property in Pasadena. They have also chosen to adopt rules that discriminate against property owners under the age of 60 who want to move into their own home.

I would ask that your council make 4 changes to the proposed ordinance:

1) Require that at least 2 council members attend every Rental Housing Board public meeting to observe and report back to the larger council what is happening at that Board.

2) Require that the Rental Housing Board stop spending hundreds of thousands of dollars of government money that will be taxed to property owners through the Measure H rules, without proper financial oversight and competitive billing. The City of Pasadena has oversight rules for all other spending but the Measure H rules empower the RHB to spend without consequence and they have chosen to do so repeatedly in the past 6 months.

3) Provide a 12 month review period that requires and provides for public comment in a way that allows the people that will be paying these new taxes to participate. As of right now, only one member of the RHB has any experience as a landlord in Pasadena. The input of property owners is vital to the success of this program and proposed department. Right now, our voices are ignored and publicly belittled by the Rental Housing Board.

4) Require that the proposed Department be carefully reviewed as part of the Charter Reform in 2024.

Sincerely,
Adam Bray-Ali

--
Adam Bray-Ali

Coldwell Banker Residential Brokerage

Sabha, Tamer

From: Simon Gibbons
Sent: Monday, December 4, 2023 9:40 AM
To: PublicComment-AutoResponse
Subject: COUNCIL MEETING AGENDA ITEM 17, DECEMBER 4TH 2023

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Council Members,

I write as a resident, voter, and housing provider in Pasadena.

Today's Council meeting includes the first reading of an ordinance to create a Rent Stabilization Department. **I ask that you delay the ordinance until a formal review has been carried out by the City staff.**

Setting up a new department is a complex process that takes time. This ordinance is premature for a number of reasons:

1. The existing Rental Housing Board has demonstrated poor financial management and reporting. It has published only one financial report, that is already out of date (see PRHB agenda, December 6th). In view of the lack of transparent financial reporting, it's not appropriate for the City to take on an unknown financial liability.
2. The Board has made public statements that it may not repay the money that has already been advanced by the City (including the occasion noted below). In view of the Board's unwillingness to guarantee its repayment of public money, it should not be made a City department until this matter has been clarified.
3. The future of the Board/Department is uncertain. The ongoing appeal by the California Apartment Association (in which I am a co-plaintiff), as well as other state legislation, may prevent the Board from setting up a registry to pay for the public funds that have been advanced. It would make sense to delay adding further costs of setting up a City department until the legal situation is more clear.

I write this not to "wreck" the ongoing process of managing rental properties in Pasadena, but out of a concern that this complex process is being rushed and puts the City into a risky situation.

Additional Note - copied from Pasadena Rental Housing Board agenda for December 6th, Item 4, memorandum from Goldfarb Lipman Attorneys:

"FISCAL IMPACT: The request for an additional advance will enable the PRHB to continue to meet its expenses while it establishes the Rent Stabilization Department and implements the Charter Amendment. It is not clear whether the City will request repayment of the advance once the PRHB begins to collect the Rental Housing Fee, but any repayment plan will be part of the budget and must consider the needs for paying the PRHB normal and reasonable costs."

Simon Gibbons (he, him)
Finance Officer

Sabha, Tamer

From: Tyler Werrin
Sent: Monday, December 4, 2023 2:10 PM
To: PublicComment-AutoResponse
Subject: Council Meeting Agenda Item 17 - December 4th 2023

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Dear Council Members,

I ask that you delay the ordinance to create a Rent Stabilization Department for a minimum of six months. As you all know, setting up a city department takes time and requires in-depth analysis; specifically a department that will be tasked with regulating a billion dollar industry.

Indeed, the last city department that was created in Pasadena was for the Rose Bowl and it took years to be implemented after careful study, deliberation and review.

No such analysis or studies have been done in regards to the proposed Rent Stabilization Department, nor have any been proposed. This should be the most minimal expectation of our elected officials to ensure the best possible end product is achieved.

Off the top of my head, here's three reasonable avenues of study:

1) The existing staff report is only 1.5 pages long.

1. How can a brand new city department be created with such minimal design? Where did the facts and figures come from? Based on what information? Have these facts been vetted by a third party?
2. The PRHB has not accomplished any of their stated goals over the last six months and has demonstrated poor financial management and reporting. Does the city know what it's getting into? Has the city received an accurate financial report from the PRHB?

2) The claim that there will be "no fiscal impact" is inaccurate and untrue.

1. There isn't even a budget, so how can it be known with certainty that there is "no financial impact" to the general fund?
2. If the fee structure established by the charter amendment does not cover the entire cost of the new city department, who covers the rest? Is it the public? Is it the landlords?
3. If the fee structure grows beyond "fair and reasonable" what happens then? The original fee structure assumed a small independent board, not a large (and growing) bureaucracy. It stands to reason that these fees will have to be much larger than initially pitched to voters to cover the new proposed costs. For reference, the fees were originally pitched to voters as "no more expensive than a Netflix subscription."
4. If the TPA passes in 2024, a California-wide ballot measure that seeks to clarify "fees" versus "taxes", how will the city account for lost revenue due to the redefinition of these terms?

3) There are numerous unknown and unstudied risks!

1. What if costs overrun? Who pays? Who is liable?
2. What if there are lawsuits? Who pays? Who is liable?
3. The PRHB has already stated that it may not repay the money that was ALREADY advanced by the city. This should be clarified before any further steps are taken.
4. If the PRHB has final say over city hires for their new department (as stated in the proposed ordinance), how will this follow established city hiring processes?

All of these questions could and should be investigated and answered within the reasonable pause of six months. The public deserves to know.

Sincerely,

Tyler Werrin

Iraheta, Alba

From: Loren Naiman <
Sent: Monday, December 4, 2023 3:29 PM
To: PublicComment-AutoResponse; Jomsky, Mark; Sinclair, David; Gordo, Victor
Subject: Please read this at the Council Meeting tonight

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Members of the City Council,

Before voting on the first reading of the ordinance “**CREATING A NEW CHAPTER 2.302 OF THE PASADENA MUNICIPAL CODE TO ESTABLISH A RENT STABILIZATION DEPARTMENT**”, I would ask the Council to pause and consider the apparent lack of outreach and some of the unintended consequences associated with this action. Major changes affecting the public, like zoning or the spending of large sums of tax money, has, in the past, always involved solicitation of the thoughts of the stakeholders.

Why is the city rushing to make massive modifications in government without any discussion with the property owners who will be taxed to pay for the changes? This lack of communication leaves the city open to arguments that the stakeholders have been ignored.

In addition, I would ask if the Council Members have considered any of the following potential hazards associated with the passage of the ordinance.

1. Does the employment of staff by the City transform the PRHB fee into a Tax item? By enacting this ordinance, it will be the City that creates this bureaucracy, not the ordinance. The new entity was never even considered in the ordinance, or voted upon by the people. Why should the payment process for these new employees, serving the city and the public, be paid by any means differing from how all other City employees are paid? This would entail the use of tax money from the general fund.
 - a. Who is going to pay for pensions and retirement plans?
 - b. Who will pay workers compensation costs?
 - c. How will civil liability issues be handled?

None of this was contemplated in the Measure.

2. The “Landlord Fee”, funding source, may not be available to pay for bureaucracy in its entirety. A fee is a charge to pay for benefits provided to the fee payers. Has the Council considered the requirements of **Knox v. City of Orland** (1992) 4 Cal 4th 132, 141. Charges that benefit the public at large, are not fee’s, they are taxes and subject to the restrictions of Proposition 13. Is the City Prepared to pay for the administration of this new division out of taxpayer funds if it is determined that Measure H fees cannot be used for this purpose? Where is the City Attorney opinion on this subject?
3. The Fees are subject to a reasonableness standard. The Measure never contemplated a bureaucracy this large or of this type. Are the payments for the lawyers designated in the Board’s Plan reasonable given the fact that the Measure says the board is to seek help from the City Attorney?
4. How will the City pay for this new entity if the “**Taxpayer Protection and Government Accountability Act**” passes? Fees from the statute would become tax and would require the vote of a supermajority. Is the City prepared to pay for this entity if that happens?
5. Has the City completely vetted the HR issues associated with these changes? What will happen if the City and the PRHB disagree on the activity of the hearing officers. Who will be in control when the Rental Board has the final appeal rights? How will the City handle potential tort violations or violations of civil rights under color of authority? Does the City think those liabilities will be paid for out of fee’s assessed to the landlords?
6. Has the city considered the liabilities associated with potential findings that the requirements of the statute will be considered “takings” under federal Constitutional principles? Who accepts the liability for this?
7. Who will ensure that the Landlords receive a “Fare Rate of Return” as required by the statute? Is the City prepared to make these findings, or will this be subject to the unsupervised PRHB. Who pays if a mistake is made?

The answers to these, and numerous other questions are not clear. They need to be properly thought out and vetted. The Council should not act until that is done.

Loren Naiman

Sabha, Tamer

From: Morales, Margo
Sent: Monday, December 4, 2023 4:08 PM
To: Public Comment
Subject: AR 17-- Rental Housing Board

Please add the following to public comment for AR17



Margo L. Morales
Field Representative, Council District 5
(626) 744-7147
(626) 744-3814 fax
To Join Our Mailing list go to <https://www.cityofpasadena.net/district5/mailling-list/>

From: "Nancy Novak"
To: "vgordo" <vgordo@cityofpasadena.net>, "district1" <district1@cityofpasadena.net>, "fwilliams" <fwilliams@cityofpasadena.net>, "jjones" <jjones@cityofpasadena.net>, "gmasuda" <gmasuda@cityofpasadena.net>, "jrivas" <jrivas@cityofpasadena.net>, "smadison" <smadison@cityofpasadena.net>, "jlyon" <jlyon@cityofpasadena.net>
Cc: "Lynn Bergh" <lynnbergh@cityofpasadena.net>, "Stephanie Orellana" <stephanieorellana@cityofpasadena.net>, "Sarah Tabora" <[sarah_tabor@cityofpasadena.net](mailto:sarहतabor@cityofpasadena.net)>, "Karl Findley" <kfindley@cityofpasadena.net>, "Shawn Findley" <shawnfindley@cityofpasadena.net>
Sent: Saturday, December 2, 2023 8:24:57 AM
Subject: Rental Housing Board

Dear Mayor Gordo and City Council Members,

As a property owner in the City of Pasadena, we are writing to urge you to require the existing Rental Housing Board to accept the following changes in exchange for being made a new City Department:

- 1) **City Council** makes all final decisions and resolutions passed by the new City Department.
- 2) The new advisory group (formerly Board) will be reformatted with 50% rental housing providers and 50% renters as voting members OR 1/3rd rental housing providers, 1/3rd renters and 1/3rd neutral homeowners in Pasadena.
- 3) Set a Sunset Date of no more than 1 year maximum for the new City Department to exist as an official part of the City with no extensions.

Respectfully,

Nancy R. Novak

Sabha, Tamer

From: Blake Boyd
Sent: Monday, December 4, 2023 5:13 PM
To: PublicComment-AutoResponse
Subject: Agenda Item 17 - Dec 4, 2023 Pasadena City Council

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Pasadena City Council Members:

I hope this message finds you and your loved ones well as we celebrate the Holidays and begin a new year.

As the Pasadena Rental Housing Board has decided they would like to become a city department, I would please caution you take the necessary time and develop a staff report to address the financial, legal and political issues associated with the \$1 Billion dollar per year rental industry.

Not only is it important that the correct legal, financial and political decisions be made, the implementation of such needs adequate scrutiny. The objective is to protect tenants, housing providers, the Pasadena Rental Housing Board and the City of Pasadena.

Thank you for your service,

Blake Boyd
Pasadena Housing Provider, 11 Units