

McMillan, Acquanette (Netta)

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To: PublicComment-AutoResponse
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Subject: Public comment - Item #28 - City Council meeting December 11, 2023

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Good afternoon Council members

I work as a real estate agent in Pasadena, California and am writing to encourage a delay in creating a city department for rent stabilization until a number of very serious unknowns are resolved.

I am not advocating for a removal of Measure H rules and the charter amendment but rather a smart pathway forward that alleviates the known issues that will come up in the near future unless the term sheets are amended. I attended the last council meeting virtually and was dismayed to hear a council member state that all the written correspondence was just trying to revise the Measure H rules and rehash old arguments.

For the past year I have closely followed the formation of the Rental Housing Board and their decisions and resolutions. As of today, the RHB has completed a number of their assigned tasks and appears to be improving in their procurement and spending patterns. After the multiple no-bid contracts approved this past summer, they appear to be on a very positive pathway forward with their hiring committee and their recent RFP and agreement to hire a technology vendor. This is to be applauded and I am grateful to see improvement in this area.

At their meetings, the RHB members have spoken in direct conflict with statements made to the council about their organizational structure needs and budget requirements and I know that the combination of the Measure H Charter rules and the practice of good city governance will cause a number of conflicts that are not addressed in the term sheets created by the RHB and their attorneys.

In particular, I share these concerns:

1) The oversight of the proposed department will be under the interim and then future department chair who must report to the city manager but the Charter Amendment dictates that the Rental Housing Board be placed in the oversight role with no authority given to the city manager unless requested by the RHB. When asked last week if he would be fully in charge of the future employees of the department, the city manager did not answer yes or no. This needs to be very clear and detailed before hiring their proposed 20+ full time employees.

2) The money. The city is required and has followed through on funding the RHB as they start up and begin their new process. As of today, they have requested and received \$500,000 and are requesting another \$500,000. At their most recent board meeting on December 6, a number of the board members stated that they believe these funds will not need to be paid back to the city of Pasadena. They spoke of covid related funds, the city not requiring a payment back for advanced funds and how they expect the city to simply forgive the monies spent already. If they do this, they are in direct violation of the Measure H rules that were promised to voters where the entire budget and funds for the RHB would only be paid by rental property owners. That was determined to be a fee and not a tax. I would suggest that you ask the RHB chair and other members (specifically Allison Henry) to clarify the expectations of how the advance funding will be repaid to Pasadena. The RHB has committed to spend over \$1,000,000 as of now and future requests will start coming in very quickly once employees are hired. The start-up cost estimates prior to the November 2022 election were in the \$300,000 range but it appears that the real number will be closer to \$2,000,000 before a billing and registration system is created.

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3) The timing. As one Council member requested clarity on, the RHB has not met the requirements to create a billing and registry system in the first 12 months after the Measure was approved. As of today, they have agreed to pay an outside vendor to create a system and paid a business consulting company to develop the plans and procedures but the system does not work. When asked last week what happens if the RHB does not meet the required timelines, no one seems to have an answer. Their attorney was asked directly at the December 6, 2023 RHB meeting and did not answer the question but stated that the board was not seated until several months after the measure was approved in December 2022. As of today, the RHB has shown they are not following the requirements in Measure H.

4) The Organization. At the Council meeting last Monday, RHB Chairman Bell was asked if the RHB looked at other operational styles like an operating committee or something other than a department. He stated that they had discussed this at multiple board meetings. I have attended those meetings and there has been minimal to no discussion of any other type of organizational structure for the RHB to request and set up. I have spoken at public comments about their passing the power that they have as a board to the city without discussion and been met with shrugs. In short, the paid RHB is not taking their role seriously and wants the city staff and employees to complete the major parts of their Board duties while keeping control of the hiring, staffing and rules. The city attorney should be asked how conflicts will be resolved between city staff and the RHB. The RHB Chairman should be asked for more detail on what they contemplated and what Measure H requires.

Measure H is a complex new set of rules and will cause a number of very serious consequences for housing in Pasadena. I still don't understand who actually wrote the text and it has not been publicized but many of the supporters of the Measure are now members of the RHB and don't seem to understand the inherent conflicts created by the new RHB and how oversight and budgets are organized.

Making a quick decision today to start a new department that may be better served as a sub-division of the Housing Department is not in the best interests of the city without clarifications on the items above.

I thank you for your time and consideration.

Sincerely,
Adam Bray-Ali

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