

# Agenda Report

January 9, 2023

**TO:** Honorable Mayor and City Council

**FROM:** City Clerk

**SUBJECT: INFORMATIONAL UPDATE ON THE PASADENA RENTAL HOUSING BOARD (PRHB) APPLICATION PROCESS, DRAFT RULES OF APPOINTMENT, AND RELATED MATTERS**

## **RECOMMENDATION:**

It is recommended that the City Council:

- (1) Find that the proposed actions are exempt from review pursuant to the California Environmental Quality Act ("CEQA") in accordance with State CEQA Guidelines § 15061(b)(3) (General Rule); and
- (2) Receive and file the proposed rules and informational update regarding the PRHB application process, as presented in the agenda report.

## **BACKGROUND:**

On December 12, 2022, the City Council adopted Resolution No. 9970, certifying the November 8, 2022 General Municipal Election results showing that Measure H, "The Pasadena Charter Amendment Initiative Petition Measure Imposing Rent Control", received 53.8% approval of the total votes cast and is deemed approved by the voters. On December 20, 2022, the California Secretary of State's Office notified the City that the Charter Amendment filing was received and accepted, and that a conformed copy was being sent to the City Clerk's Office. In accordance with newly adopted City Charter Section 1824 — Majority Approval, Effective Date, Execution — Measure H went into effect on December 22, 2022.

Measure H assigns powers and duties necessary to "administer and enforce" the provisions of the Charter Amendment to the Pasadena Rental Housing Board (PRHB). As required by Measure H, City staff is making preparations to organize and establish the PRHB, as that is the body responsible for implementation of the Measure. The Measure (Attachment A) provides details and timing for the solicitation of Board member applications, the application process, and appointments of Board members by the Pasadena City Council.

Pursuant to City Charter Section 1811, the City Clerk is required to provide forms and accept applications on behalf of the City Council as part of the appointment process for the Pasadena Rental Housing Board. In preparation to administer the application process, a draft set of rules have been created (Attachment B) for public inspection. These rules clarify the City Clerk's understanding of the duties assigned under Charter Section 1811, and of how the City Clerk intends to fulfill them in accordance with the newly amended City Charter.

In addition, on December 22, 2022, the City was served with a lawsuit filed by the California Apartment Association and individual property owners in the City, which challenges the validity of Measure H on a number of grounds. Be that as it may, the City is required to continue implementing Measure H unless and until a court directs the City to stop doing so. There is presently no hearing scheduled on the merits of the lawsuit, and no timeline for when the lawsuit will conclude.

#### Newly Adopted City Charter Requirements for PRHB Applicants

City Charter Section 1811 establishes the Pasadena Rental Housing Board, an eleven-member body, comprised of seven tenant members (one from each Council District), and four at-large members that may reside in any Council District in Pasadena, as well as two alternate members; one for the tenant group and one for the at-large group. To serve on the Board, Section 1811 requires prospective members to submit an application to the City Council, which includes certain information:

- Proof of residency in whichever Council District the applicant claims to reside;
- At least 25 signatures of residents from the same Council District as the applicant endorsing the applicant's appointment;
- Verified statement signed under penalty of perjury of the interests and dealings of the applicant and "Extended Family" in rental properties in the County of Los Angeles covering three years immediately prior to application submittal;
- Verified statement signed by Tenant/Alternate Tenant Board Members under penalty of perjury affirming their lack of Material Interest in Rental Property;
- Verified statement that the applicant is not an Extended Family member of any current member of the City Council; and
- Verified statement that the applicant does not reside at a property owned or managed by a member of the City Council, or any property in which a member of the City Council's Extended Family has any ownership stake.

#### Draft Rules for Appointment Pertaining to PRHB Applicants

To provide consistency and clarity in the application process for the PRHB, a set of rules have been developed by the City Clerk to provide practical guidance for the administration of the Charter provisions pertaining to PHRB applicants. Following is a summary of the Draft Rules for Appointment, which will become final on Wednesday, January 11, 2023:

- Means to Provide Proof of Residency – Either voter registration information (signature verification process) on file with the Los Angeles County Registrar of Voters or documentation accepted by the California Department of Motor Vehicles (DMV) for a REAL ID.
- Means to Provide Proof of Tenancy – Copy of a rental agreement along with a signed declaration, made under penalty of perjury, attesting to the applicant's status as a tenant and non-owner of rental housing.
- Means to Provide Proof of Non-Ownership of Material Interest in Rental Property, both applicant and Extended Family of applicant – Submittal of the Fair Political Practices Commission's Form 700, with information to cover the prior three-year period from the date of submittal, along with a signed declaration, attesting the information is true and correct.
- Application Form – Form submitted under penalty of perjury:
  - Statement of qualifications, background, and education;
  - Nomination Petition signed by at least 25 residents of the City Council district in which the applicant resides in, even if applying for an at-large or alternate at-large seat:
    - Petition signatures will be checked against voter registration records on file with the Los Angeles County Registrar of Voters; or
    - Two clear, readable forms of proof of residency submitted to the applicant by the resident signer that are accepted by the Department of Motor Vehicles (DMV) for a REAL ID (proof of residency must be submitted with Nomination Petition but will not be subject to public disclosure).
- Procedure for Review of Applicant's Qualifications – Upon submittal of applications to the City Council for review, the City Clerk will inform the Council of any conclusions as to the sufficiency of the applications. If an applicant appears to not qualify for the seat sought, the City Clerk will inform the applicant of such determination prior to the Council meeting at which appointments are to be made so that the applicant may address the City Council directly on said qualifications. City Council decisions on appointments are final, and not subject to further administrative remedies.
- Procedure for Solicitation for Applications – A public notice has been developed and is provided for review (Attachment C).
- Staggering of Initial Terms – At the time the City Council appoints initial Board members, it will need to designate which seats will serve initial two-year terms and which will serve four-year terms.

Application and Pasadena Rental Housing Board Timeline:

Pursuant to City Charter Section 1811(c), the City Council shall make appointments to the PRHB within 120 days of the effective date of this new City Charter Article. There is also a requirement that a solicitation for applications must be published by the City Council (notice for initial appointments will be handled by the City Clerk, and thereafter by the Office of the Mayor) within 30 days of the effective date. The City Council must announce their appointments within 90 days of the publication of the solicitation. A draft

of the application materials is provided as Attachment D to this agenda report. Based on this information, following is a proposed timeline for the initial solicitation, appointment, and organization of the inaugural Pasadena Rental Housing Board:


Effective Date of Charter Amendment	December 22, 2022
Deadline for Publication of Solicitation Notice for Applications	January 21, 2023
Deadline for City Council to announce appointments to the PRHB	April 21, 2023
Anticipated date for the Pasadena Rental Housing Board to hold its first meeting	On or before May 17, 2023

**FISCAL IMPACT:**

There is no fiscal impact associated with the City Clerk promulgating the draft rules and application forms, nor the solicitation notice for City Council review and approval.

When Measure H was submitted to Pasadena voters for the November 2022 election, staff commissioned Management Partners to conduct a financial analysis of the Charter measure. Management Partners' analysis showed the overall rent control program, once up and running, would require 26 staff positions and cost approximately \$5.8 million per year to operate. At a date prior to the formation of the PRHB, and as the Board initially implements their duties, City staff will return to the City Council to seek the initial operating budget allocation (with such funds advanced by the City, which the City may later seek to get reimbursed), in accordance with Section 1811(l)(2) of the Charter.

Respectfully submitted,

  
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Mark Jomsky  
City Clerk, CMC

**ATTACHMENTS:**

- Attachment A – City Charter Article XVIII - “The Pasadena Fair and Equitable Housing Charter Amendment”
- Attachment B – Pasadena Rental Housing Board – Draft Rules of Appointment
- Attachment C – Pasadena Rental Housing Board – Draft Application
- Attachment D – Pasadena Rental Housing Board – Draft Solicitation