

# Agenda Report

May 8, 2023

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Finance  
**SUBJECT:** **ADVANCEMENT OF FUNDS FOR THE INITIATION OF THE PASADENA RENTAL HOUSING BOARD**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required; and
2. Approve the advancement of funds from the General Fund, up to an initial amount of \$500,000 for start-up costs related to the initiation of the Pasadena Rental Housing Board.

## **BACKGROUND:**

Pasadena City Charter Article XVIII requires the creation of a Rental Housing Board (Board). Per Charter Section 1811(a) and (j), the Board is comprised of eleven members and two alternates that are to be compensated per hour for meetings attended. Additionally, Section 1811(l)(2), requires the City to advance the necessary funds to ensure the effective implementation until the Board has collected enough fees to support implementation.

Since the City is required to advance funds to ensure implementation, which would include paying Board members and providing legal and administrative support until the Board gets up and running, the recommended action includes approving the advance of up to \$500,000 in initial funding. Accounting for the Board's operations will be managed in its own fund within the City's accounting structure and the advance from the City's General Fund will be done as needed based on expenditures. The Board is required to establish a budget for the reasonable and necessary implementation of the Charter provisions and City staff will return to the Finance Committee with regular updates on the status of the advance. The City Attorney's impartial analysis that was provided with the ballot

Measure, establishing the Charter amendment, provided an estimate of \$310,000 for startup costs and \$5,453,460 in annual costs. If additional funds are required to be advanced, City staff will return to the City Council for authorization.

Additionally, it is anticipated that these funds are an advance, and a loan repayment agreement will be approved, once the Board is operational.

**COUNCIL POLICY CONSIDERATION:**

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by meeting the Charter requirements for the Board, while also establishing a repayment plan when feasible.

**ENVIRONMENTAL ANALYSIS:**

The action proposed herein is not a project subject to the California Environmental Quality Act (CEQA) in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3) and 15378. The authorization to advance funds is an organizational and administrative action that would not cause either a direct physical change in the environment or a reasonably foreseeable indirect change in the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

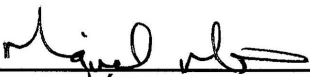
**FISCAL IMPACT:**

The recommended advance of up to \$500,000, will provide funds for the start-up of the Board. Pursuant to Article XVIII, the City is required to advance funds for the implementation of the Board.

Respectfully submitted,

  
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MATTHEW E. HAWKESWORTH  
Director of Finance

Approved by:

  
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MIGUEL MÁRQUEZ  
City Manager