

Attachment B: Term Sheet with the City of Pasadena Related to Integrating the Rental Housing Board as a City Department Approved by the Board on October 25, 2023

PASADENA RENTAL HOUSING BOARD/CITY OF PASADENA TERM SHEET

The Pasadena Rental Housing Board (“PRHB”) is constituted pursuant to The Pasadena Fair and Equitable Housing Charter Amendment (“Charter Amendment” or “Article XVIII”), Section 1811(m) provides:

The Rental Board shall be an integral part of the government of the City, but shall exercise its powers and duties under this Article independent from the City Council, City Manager, and City Attorney, except by request of the Rental Board. The Rental Board may request the services of the City Attorney, who shall provide them pursuant to the lawful duties of the office in Article 11, Chapter 2.30 of the Pasadena City Charter. The City shall provide infrastructure support on an ongoing basis as it would with any other department.

Section 1821 of the Charter Amendment provides:

“To the extent that any provision of this Article conflicts with other provisions of the Pasadena City Charter, the provisions of this Article shall govern. This Article, however, is not intended to revise, repeal, or supersede any other provisions of the Pasadena City Charter with respect to matters not addressed herein. As such, this Article shall have the effect of amending the Pasadena City Charter as necessary for the Rental Board to exercise its authority and fulfill its responsibilities as specifically identified herein, but this Article shall not otherwise amend the Pasadena City Charter with respect to the powers and limitations of other boards and commissions.”

Pursuant to Section 1811(m) and Section 1821 of the Charter Amendment, the PRHB is requesting support and cooperation from the City of Pasadena (“City”) City Council, City Manager and City Attorney in the PRHB’s integration into the City and that the City treat the PRHB as it would any other City department, board or commission with respect to powers and limitations derived from the Pasadena City Charter. The following enumerated terms are not specifically addressed in the Charter Amendment and do not adversely affect the PRHB’s ability to fulfill its purpose and responsibilities in implementing and administering a program that promotes neighborhood and community stability, healthy housing and affordability for renters in the City, while ensuring landlords a fair return on their investments. The PRHB and City agree to the following terms by which the PRHB will be integrated into the governing structure of the City, subject to the restrictions and limitations of the Pasadena City Charter.

1. Rent Stabilization Department. The PRHB shall be a separate department of the City, under the general administrative direction of the City Manager to be called the Pasadena Rent Stabilization Department.

2. Department Director. The Department Director of the Rent Stabilization Department shall be a City employee, whose job classifications shall be established in accordance with Charter Section 803. The PRHB will recommend the job description for the Department Director, which job classifications are subject to approval of the City Council pursuant to Charter Section 803. The City Department of Human Resources will conduct the recruitment process for the Department Director in accordance with standard City procedures. The PRHB will interview the candidates for the Department Director and recommend a candidate for Department Director to the City Manager for appointment. The City Manager will consult with the PRHB prior to disciplining or terminating the Department Director, if feasible and to the extent allowed by law.
3. Department Staff. Additional staff positions will be determined and approved in accordance with Charter Section 803 based on the PRHB approved staffing plan. Staff hiring shall be handled consistent with Charter Section 803 and standard City processes with the Department Director participating in the hiring in the same manner as other Department Directors. The PRHB Department Director shall have the same authority as other department directors reporting to the City Manager with regards to the personnel decision pertaining to any Department employees.
4. Department Budget. The PRHB shall, in accordance with Section 1811(e)(10), establish an annual budget for the Rent Stabilization Department that includes funding for the budgeted expenses from the Rental Housing Fee to be set by the PRHB. The Rent Stabilization Department budget will be incorporated into the City budget and budget approval process, recognizing that to the extent that the Department budget is fully funded by the Rental Housing Fee, the City general fund or other City funds are not impacted by the budget. The PRHB will set the Rental Housing Fee in accordance with Section 1811(l) based on the approved annual budget.
5. Purchasing and Contracts. The PRHB shall be subject to the requirements of City of Pasadena Charter Article X. "Contracts, Purchases and Claims."
6. City Support. The City's internal services, including but not limited to finance, human resources and information technology needs shall be provided to the Rent Stabilization Department in the same manner as other City Departments. The Rent Stabilization Department shall pay the costs of such internal services in accordance with the City's Cost Allocation Plan, and such costs shall be recoverable through the Rental Housing Fee assessed upon landlords, as described in Section 1811(l) of the Charter.
7. Office Space. The City shall assist with the leasing of office space for the PRHB Rent Stabilization Department and the Rent Stabilization Department shall pay for the cost of using such space including any necessary furnishings or tenant improvements. Initial one-time costs may be advanced by the City and amortized over the lease term and reimbursed to the City. Such costs shall be recoverable through the Rental

Housing Fee assessed upon landlords, as described in Section 1811(l) of the Charter. subject to reimbursement to the City's General Fund from the Rent Stabilization Department in the same manner as other City Departments.

8. Miscellaneous. The City shall provide the Rent Stabilization Department such other services, equipment and supplies as it would provide any other department of the City, including insurance, subject to reimbursement to the City's general fund from the Rent Stabilization Department in accordance with the City's Cost Allocation Plan. Such costs shall be recoverable through the Rental Housing Fee assessed upon landlords, as described in Section 1811(l) of the Charter.