

Agenda Report

November 6, 2023

TO: Honorable Mayor and City Council
FROM: City Manager
SUBJECT: DIRECTION TO PREPARE AN ORDINANCE ESTABLISHING A RENT STABILIZATION DEPARTMENT, PURSUANT TO REQUEST OF THE PASADENA RENTAL HOUSING BOARD

RECOMMENDATION:

It is recommended that the City Council:

- 1) Find that the action proposed herein is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Sections 15061(b)(3), the “common sense” exemption; and
- 2) Pursuant to the request of the Pasadena Rental Housing Board, direct the City Attorney to prepare and return within 60 days with an ordinance amending Title 2 of the Pasadena Municipal Code to create a new Chapter establishing the Rent Stabilization Department as a City Department headed by a City Manager appointee, in order to support the Pasadena Rental Housing Board and to carry out their functions set forth in the City Charter.

EXECUTIVE SUMMARY:

The Pasadena Rental Housing Board (“Board”) is the City Charter-created governmental body that is generally responsible for the enforcement and implementation of City Charter Article XVIII, the Pasadena Fair and Equitable Housing Charter Amendment (“Charter Amendment”). The Charter Amendment describes the Board as an integral part of the government of the City but exercises its powers and duties independent from the City Council, City Manager, and City Attorney, unless the Board requests their assistance. The Charter Amendment accords the Board numerous powers and duties in the administration and enforcement of its provisions, including the power to establish a budget and set a rental housing fee.

The Board has formally requested that a City Department be created to support it and to administer the rent stabilization provisions of the Charter Amendment in the manner set forth in the Term Sheet attached to this Agenda Report.

BACKGROUND:

On November 8, 2022, the voters of the City of Pasadena voted to adopt Measure H, which amended the City's Charter to impose rent control and just cause eviction protections. The measure assigns the powers and duties necessary to enforce the provisions of the Measure H to the Board. The City Council adopted a resolution certifying the results of the November 8, 2022, election on December 12, 2022, and the Charter Amendment was filed with the California Secretary of State and took effect on December 22, 2022. On April 19, 2023, the City Council appointed members to serve on the Board to administer the Charter Amendment.

The Board is the Charter-created governmental body within the City that is generally responsible for the enforcement and implementation of the Charter Amendment. (See, generally, City Charter, art. XVIII, § 1811). The Charter Amendment describes the Board as an integral part of the government of the City, but it exercises the enumerated powers and duties in the Charter Amendment independent from the City Council, City Manager, and City Attorney, unless the Board requests their assistance. (Id. at § 1811(m).) The Charter Amendment accords the Board certain enumerated powers and duties in the administration and enforcement of its provisions, including the power to adopt a budget and set a rental housing fee. The Board's enumerated powers and duties are outlined in § 1811(e) of the Charter Amendment and are included as Attachment A of this report.

On October 13, 2023, representatives from the Board and City staff met to discuss, agree in concept, with the terms to integrate the Board as a City department consist with the City Charter. At its meeting on October 25, 2023, the Board adopted by Resolution the Term Sheet included as Attachment B of this report.

Staff recommends that City Council direct the City Attorney to prepare an Ordinance establishing the Rent Stabilization Department to implement the Term Sheet adopted by the Board. The City Council will be asked at a later date to review and adopt the budget and staffing plan for the Department.

ENVIRONMENTAL ANALYSIS:

The action proposed herein is not subject to the California Environmental Quality Act (CEQA) in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15061(b)(3), the common sense exemption as it does not have the potential to cause a significant environmental effect.

FISCAL IMPACT:

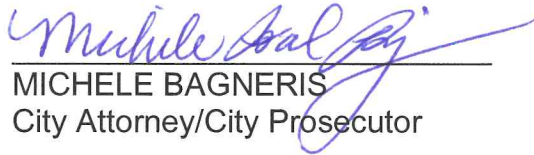
There is no immediate fiscal impact associated with the request to prepare an Ordinance to establish a Rent Stabilization Department. It should be noted that the Board intends to return to the City Council with a staffing plan and budget for the Department at a future meeting.

Respectfully submitted,



REBECCA TAKAHASHI
Acting Assistant to the City Manager

Concurred by:



MICHELE BAGNERIS
City Attorney/City Prosecutor

/s/ Ryan Bell

RYAN BELL
Chair, Pasadena Rental Housing Board

Approved by:



MIGUEL MÁRQUEZ
City Manager

Attachments (2)

Attachment A: Pasadena City Charter Section 1811(e) – Powers and Duties of the Pasadena Rental Housing Board

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