

EXHIBIT D

SECTION 1. Article XVIII, Section 1804 of the Charter of the City of Pasadena is amended to read:

Section 1804. – EXEMPTIONS.

- (a) Fully Exempt (Exempt from Both Rent Stabilization and Just Cause for Eviction). The following Rental Units are exempt from all provisions of this Article:
- (1) Units in hotels, motels, inns, tourist homes, lodging and rooming houses and boarding houses, including hotels, lodging houses, rooming houses, and boarding houses as defined in Pasadena Municipal Code Section 14.12.030, provided that at such time as an accommodation has been occupied as the primary residence of one or more of the same tenants for any period more than thirty (30) days such accommodation shall become a Covered Rental Unit. The computation of the thirty (30) days shall include days in which the Tenant was required to:
 - (A) Move into a different guestroom or efficiency unit before the expiration of thirty (30) days occupancy; or
 - (B) Check out and re-register before the expiration of thirty (30) days occupancy if a purpose was to avoid application of this Article. Evidence that an occupant was required to check out and re-register shall create a rebuttable presumption, which shall affect solely the burden of producing evidence, that the housing accommodation is a Covered Rental Unit.
 - (2) Rental Units in any hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged; dormitory owned and operated by an accredited institution of higher education, or Rental Units in a facility that has the primary purpose of operating a treatment or recovery program, where such Rental Units are provided incident to a client's participation in the treatment or recovery program and where the client has been informed in writing of the temporary or transitional nature of the housing at the inception of his or her participation in the program;
 - (3) Rental Units owned or operated or managed by a not-for-profit organization pursuant to a tax credit program;
 - (4) Rental Units which a government unit, agency or authority owns, operates, or manages, if applicable federal or state law or administrative regulation specifically exempt such units from municipal rent control; and
 - (5) Rental Units additionally exempted pursuant to Section 1805 (Additional Homeowner Protections).
- (b) Partially Exempt (Just Cause for Eviction Applies). The following Rental Units are exempt from Sections 1807, 1808, and 1809 of this Article (regarding Stabilization of Rents) and from Sections 1813 and 1814 (regarding Petitions for Individual Rent Adjustment), but are not exempt from Section 1806 (Just Cause for Eviction Protections):
- (1) To the extent required by state law, Rental Units exempt from rent control pursuant to the Costa Hawkins Rental Housing Act (California Civil Code Section 1954.52. et seq.). Where rent restrictions are permitted by state law, the Rental Board may issue rules and regulations to govern the restrictions on Rental Units identified in this paragraph;

- (2) Rental Units governed by Pasadena City Code Chapter 17.42, Section 17.42.040 (Inclusionary Housing Requirements) and Chapter 17.43 (Density Bonus, Waivers and Incentives) to the extent permissible by law.
- (3) Rental Units leased to tenants assisted under the Section 8 program (42 U.S.C. Section 1437f) or the Continuum of Care Rental Assistance (42 U.S.C. 11381 et. seq.) or similar rent subsidy program where the tenant's portion of the Rent is determined based on their household income and a specific formula. For the purposes of the Section 8 program, the exemption from Sections 1807, 1808, 1809, 1813, and 1814 shall apply only for so long as the rent demanded does not exceed the authorized Payment Standard minus the applicable utility allowance, which, for purposes of this subsection, is the maximum monthly rental assistance potentially available to an assisted household before deducting the household share of income paid for rent and utilities as established by the City of Pasadena Department of Housing or successor agency. For Rental Units where the rent demanded exceeds the Payment Standard minus the applicable utility allowance, the Payment Standard or an initial rent above the Payment Standard if approved by the City of Pasadena Department of Housing, as reported to the Board, or its designee, by the City of Pasadena Department of Housing or successor agency, shall become the Rental Unit's Base Rent and the reference point from which the Rent shall be adjusted in accordance with Sections 1807, 1808, and 1809. For the purposes of all other rent subsidy programs, the exemption from Sections 1807, 1808, 1809, 1813, and 1814 shall apply only for so long as the Tenant remains eligible for the program and Tenant's portion of the Rent remains unaffected by any rent increases demanded by the Landlord. For Rental Units where the Tenant becomes ineligible for the rent subsidy program or where any rent increase demanded would increase the Tenant's portion of the Rent, the Rent at the time that the Tenant's assistance is terminated or the initial rent after the rent increase that increases the Tenant's portion of the Rent as reported to the Rent Stabilization Department, by the City of Pasadena Department of Housing or successor agency, shall become the Rental Unit's Base Rent and the reference point from which the Rent shall be adjusted in accordance with Sections 1807, 1808, and 1809.

SECTION 2. Article XVIII, Section 1806 of the Charter of the City of Pasadena is amended to read:

Section 1806. – JUST CAUSE FOR EVICTION PROTECTIONS.

- (a) Just Causes for Eviction: No Landlord shall take action to terminate any tenancy, or endeavor to recover possession of a Rental Unit, including but not limited to making a demand for possession of a Rental Unit, threatening to terminate a tenancy orally or in writing, serving any Written Notice to Cease or other eviction notice, or bringing any action to recover possession, or be granted recovery of possession of a Rental Unit unless at least one of the following conditions exists:
 - (1) Failure to Pay Rent. The Tenant has failed, after receiving a Written Notice to Cease, to pay the Rent to which the Landlord is legally entitled under the Rental Housing Agreement, this Article, state, and any other local law. This condition does not include a failure to pay any separately charged fees.
 - (2) Breach of Lease. The Tenant has continued, after Written Notice to Cease, to substantially violate any of the material terms of the rental agreement, except the obligation to surrender possession on proper notice as required by law, and provided

that such terms are reasonable and legal and have been accepted in writing by the Tenant or made part of the rental agreement; and provided further that, where such terms have been accepted by the Tenant or made part of the rental agreement subsequent to the initial creation of the tenancy, the Landlord shall have first notified the Tenant in writing that he or she need not accept such terms or agree to their being made part of the rental agreement.

- (A) Notwithstanding any contrary provision in this Section, a Landlord shall not take any action to terminate a tenancy based on a Tenant's sublease of the unit if the following requirements are met:
- (i) The Tenant continues to reside in the Rental Unit as his, her or their primary residence.
 - (ii) The sublease replaces one or more departed Tenants under the Rental Housing Agreement on a one-for-one basis.
 - (iii) The Landlord has unreasonably withheld the right to sublease following written request by the Tenant. If the Landlord fails to respond to the Tenant in writing within fourteen (14) days of receipt of the Tenant's written request, the Tenant's request shall be deemed approved by the Landlord. A Landlord's reasonable refusal of the Tenant's written request may not be based on the proposed additional occupant's lack of creditworthiness, if that person will not be legally obligated to pay some or all of the Rent to the Landlord. A Landlord's reasonable refusal of the Tenant's written request may be based on, but is not limited to, the ground that the total number of occupants in a Rental Unit exceed the maximum number of occupants as determined under Section 503(b) of the Uniform Housing Code as incorporated by California Health & Safety Code Section 17922.
- (B) Protections for Families. Notwithstanding any contrary provision in this Section, a Landlord shall not endeavor to recover possession of a Rental Unit as a result of the addition to the Rental Unit of a Tenant's child, parent, grandchild, grandparent, brother or sister, other dependent relative, or the spouse or domestic partner (as defined in California Family Code Section 297) of such relatives, or as a result of the addition of the spouse or domestic partner of a Tenant, or as a result of the addition of the sole additional adult tenant, so long as the number of occupants does not exceed the maximum number of occupants as determined under Section 503(b) of the Uniform Housing Code as incorporated by California Health & Safety Code 17922. The Rent Board shall promulgate regulations that will further protect families and promote stability for school-aged children.
- (3) Nuisance. The Tenant has continued, after the Landlord has served the Tenant with a Written Notice to Cease, to commit or expressly permit a nuisance in, or cause substantial damage to the Rental Unit or to the unit's appurtenances, or to the common areas of the Property containing the Rental Unit, or is creating an unreasonable interference with the comfort, safety, or quiet enjoyment of any of the other residents or immediately adjacent neighbors of the Property.
- (4) Illegal Purpose. The Tenant is using or permitting a Rental Unit, the common areas of the Property, or an area within a 300-foot radius from the boundary line of the Property to be used for any illegal purpose.

The term "illegal purpose" as used in this subsection includes, but is not limited to, clear and convincing evidence of violations of any of the provisions of Division 10,

Chapter 6 (commencing with Section 11350) and Chapter 6.5 (commencing with Section 11400) of the California Health and Safety Code, and does not include the use of housing accommodations lacking a legal approved use or which have been cited for occupancy or other housing code violations.

- (5) Refusal to Execute New Lease. The Tenant, who had a Rental Housing Agreement which terminated on or after the effective date of this Article, has refused, after written request or demand by the Landlord to execute a written extension or renewal thereof for a further term of like duration with terms which are materially the same as in the previous Agreement and provided that such terms do not conflict with any provision of this Article or any other provision of law.
- (6) Failure to Give Access. The Tenant, after receiving proper notice, has refused the Landlord reasonable access to the Rental Unit for the purpose of making repairs or improvements, or for the purpose of inspection as permitted or required by law, or for the purpose of showing the Rental Unit to any prospective purchaser or mortgagee.
 - (A) The Board shall promulgate regulations for the repair and improvement of Rental Units to ensure the least amount of disruption for the Tenant. Unless due to a documented emergency affecting a Tenant's health and/or safety or as required by state law, all repair or improvement work will be scheduled in compliance with applicable Board regulations. In the event that a Tenant refuses access to the Rental Unit for repairs, a Landlord must show that written notice was provided to the Tenant and all necessary repair or improvement work was scheduled in compliance with all applicable Board regulations to terminate tenancy under this subsection.
 - (B) The notice requesting access shall inform the Tenant that if he or she is unable to comply because of a disability, he or she may request a change in the Landlord's policies or practices or other reasonable accommodation to the Tenant's disability.
- (7) Subtenant in Sole Possession. The person in possession of the Rental Unit at the end of a lease term is a subtenant not approved by the Landlord.
- (8) Necessary and Substantial Repairs Requiring Temporary Vacancy. The Landlord, after having obtained all necessary permits from the City of Pasadena, and having provided written notice to the Tenant, seeks in good faith to undertake substantial repairs that are necessary to bring the Rental Unit into compliance with applicable codes and laws affecting the health and safety of Tenants of the building, provided that:
 - (A) As independently confirmed by the City of Pasadena, the repairs necessitate that the Tenant vacate the Rental Unit because the work will render the Rental Unit uninhabitable for a period of not less than thirty (30) days, and
 - (B) The Landlord gives advance notice to the Tenant of the Tenant's right to elect one or both of the following:
 - (i) The right of first refusal to any vacant Rental Unit owned by the Landlord at the same or lower Rent, provided that the unit is of comparable or superior material living condition and convenience for the Tenant, if such comparable or superior vacant unit exists.
 - (ii) The first right of return to reoccupy the unit upon completion of the repairs at the same Rent charged to the Tenant before the Tenant temporarily vacated the Rental Unit to the extent allowed by state law.

- (iii) In the event that the Tenant elects to accept an offer to move to a comparable vacant Rental Unit at the same or lower Rent, the Tenant is not eligible for any Relocation Assistance pursuant to Section 1806(b) herein, however the length of tenancy shall continue to be calculated from the date the Tenant first entered into a Rental Housing Agreement at the Property.
 - (C) In the event the Landlord files a Petition for Individual Rent Adjustment within six (6) months following the completion of the work, the Tenant shall be party to such proceeding as if he or she were still in possession, unless the Landlord submits with such application a written waiver by the Tenant of his or her right to reoccupy the premises pursuant to this subsection.
- (9) Owner Move-In. The Landlord seeks to recover possession of the Rental Unit in good faith for use and occupancy as a Primary Residence by the Landlord, Landlord's spouse, domestic partner, children, grandchildren, parents, or grandparents.
 - (A) As used in this subsection, "Landlord" shall only include a Landlord that is a natural person and has at least a fifty percent (50%) recorded ownership interest in the Property.
 - (B) No eviction may take place under this subsection if the same Landlord or enumerated relative already occupies a unit on the Property, or if a vacancy already exists on the Property. If a comparable unit does become vacant and available before the recovery of possession, the Landlord shall rescind the notice to vacate and dismiss any action filed to recover possession of the premises.
 - (C) Any notice terminating tenancy pursuant to this subsection shall contain the name, address and relationship to the Landlord of the person intended to occupy the Rental Unit, and the rights pursuant to Subparagraph (E) herein.
 - (D) The Landlord or enumerated relative must intend in good faith to move into the Rental Unit within sixty (60) days after the Tenant vacates and to occupy the Rental Unit as a Primary Residence for at least thirty-six (36) consecutive months. The Rental Board may adopt regulations governing the determination of good faith.
 - (E) If the Landlord or relative specified on the notice terminating tenancy fails to occupy the Rental Unit within sixty (60) days after the Tenant vacates or fails to occupy the Rental Unit as a Primary Residence for at least thirty-six (36) consecutive months, the Landlord shall:
 - (i) Offer the Rental Unit to the Tenant who vacated it at the same Rent in effect when the Tenant vacated; and
 - (ii) Pay to said Tenant all reasonable expenses incurred in moving to and from the Rental Unit.
 - (F) Eviction Protection for Elderly or Disabled Tenant. A Landlord may not evict a Tenant pursuant to this subsection if the Tenant has resided in the Rental Unit for at least five (5) years and is either: (1) at least sixty (60) years or older, (2) Disabled; and/or (3) is certified as being terminally ill by the Tenant's treating physician. Notwithstanding the above, a Landlord may evict a Tenant who qualifies for the exemption herein if the Landlord or enumerated relative who will occupy the Rental Unit also meets the criteria for this exemption and no other units are available.
 - (G) Notwithstanding Section 1806(a)(9)(F), at all times a Landlord may request a reasonable accommodation if the Landlord or enumerated relative is Disabled and another unit in Pasadena is necessary to accommodate the person's disability.

- (10) Withdrawal of the Unit Permanently from Rental Market. To the extent required by California Government Code Section 7060 et seq., the Landlord may seek in good faith to recover possession to withdraw all Rental Units of an entire Property from the rental market. The Landlord first must have filed the requisite documents with the Rental Board initiating the procedure for withdrawing Rental units from rent or lease under California Government Code Section 7060 et seq. and all regulations passed by the Rental Board and/or the City Council of the City, with the intention of completing the withdrawal process and going out of the rental business or demolition of the Property. If demolition is the purpose of the withdrawal, then the Landlord must have received all needed permits from the City of Pasadena before serving any notices terminating a tenancy based on Subsection (a)(10) herein. Tenants shall be entitled to a minimum of 120 days' notice or one (1) year in the case Tenants are defined as senior or Disabled as defined in California Government Code Section 7060 et seq. Notice times may be increased by regulations if state law allows for additional time.
- (11) Government Order. The Landlord seeks in good faith to recover possession of the Rental Unit in order to comply with a governmental agency's order to vacate, order to comply, order to abate, or any other order that necessitates the vacating of the building housing the Rental Unit as a result of a violation of the Pasadena Municipal Code or any other provision of law. To the extent allowed by state law, the Landlord must give advance notice to the Tenant of the Tenant's right to elect one or both of the following:
- (A) The right of first refusal to any vacant Rental Unit owned by the Landlord at the same or lower Rent, provided that the unit is of comparable or superior material living condition and convenience for the Tenant, if such comparable or superior vacant unit exists.
 - (B) The first right of return to reoccupy the unit if and when it is found to be in compliance with the order at the same Rent charged to the Tenant before the Tenant temporarily vacated the Rental Unit.
 - (i) In the event that the Tenant elects to accept an offer to move to a comparable vacant Rental Unit at the same or lower Rent, the Tenant is not eligible for any Relocation Assistance pursuant to Section 1806(b) herein, however the length of tenancy shall continue to be calculated from the date the Tenant first entered into a Rental Housing Agreement at the Property.
- (b) Relocation Assistance. A Landlord seeking to recover possession under Subsections (a)(8)—(11) above shall provide Relocation Assistance. The Landlord shall provide a minimum of fifty percent (50%) of the required Relocation Assistance within ten (10) days of service of any written notice of termination pursuant to Subsections (a)(8)—(11) to the Tenant(s). For any Tenant entitled to at least sixty (60) days' written notice pursuant to Civil Code Section 1946.1, the Landlord may elect to pay the remaining Relocation Assistance owed to a Tenant pursuant to this subsection to an escrow account no later than twenty-eight (28) days prior to the expiration of the written notice of termination, to be disbursed to the Tenant upon certification of vacation of the Rental Unit. The escrow account shall provide for the payment prior to vacation of all or a portion of the monetary relocation benefits for actual relocation expenses incurred or to be incurred by Tenant prior to vacation, including but not limited to security deposits, moving expense deposits and utility connection charges. For any Tenant entitled to at least sixty (60) days' written notice pursuant to Civil Code Section 1946.1, the Landlord may also disburse the remaining Relocation Assistance directly to the Tenant no later than twenty-eight (28) days prior to the expiration of the notice of termination. For any Tenant entitled to less than sixty (60) days' written notice pursuant to Civil Code Section

1946.1, the Landlord shall disburse the remaining Relocation Assistance directly to the Tenant at the time that the Tenant vacates the Rental Unit.

- (A) The Landlord shall notify the affected Tenants of their rights under this subsection, if any, at the time of service of the notice to quit.
 - (B) The Rental Board shall issue rules and regulations to effectuate this subsection including but not limited to rules and regulations setting forth the procedures for establishing the amount of Relocation Assistance applicable to any given Tenant household, and for the reasonably timely payment of any applicable Relocation Assistance.
 - (C) A Landlord shall provide Relocation Assistance to any Tenant household who is displaced from a Rental Unit due to inability to pay Rent increases in excess of 5 percent plus the most recently announced Annual General Adjustment in any twelve-month period. The Landlord must provide Relocation Assistance to such Tenant households no later than the date that they vacate the Rental Unit. The Board shall issue rules and regulations to further effectuate this subdivision, including but not limited to the procedures and forms for establishing and facilitating payment of Relocation Assistance, an appeal process, if any, and rules to ensure the reasonably timely payment of any applicable Relocation Assistance. The Board may reduce the threshold triggering Relocation Assistance to Rent increases lower than 5 percent plus the most recently announced Annual General Adjustment in any twelve-month period if it determines that the lower threshold is necessary to further the purposes of this Article.
- (c) Right of Return and First Right of Refusal. All Tenants whose tenancy is terminated on a basis enumerated in Subsections (a)(8)-(11) herein shall have the first right of refusal to return to the Rental Unit if that Rental Unit is returned to the market by the Landlord or a successor Landlord to the maximum extent permitted by state law. Rent for the Rental Unit shall be the Rent lawfully paid by the Tenant at the time the Landlord gave notice of termination based upon Subsections (a)(8)-(11) herein to the maximum extent permitted by state law. The Rental Board shall decide on a timeline and procedures for the subsequent notification of the former Tenant of the return of their Rental Unit to the market.
- (d) Required Notice for Withdrawal of Rental Units From Rental Housing and Regulation of Property on Re-Offer of Rent or Lease After Withdrawal. Within 180 days of the first meeting of the Rental Board, the Rental Board shall adopt regulations, in the manner specified by California Government Code Section 7060.5, that implement all of the provisions set forth in California Government Code Section 7060 *et seq.* Such regulations shall be updated from time to time to ensure consistency with California Government Code Section 7060 *et seq.* and to ensure that the maximum protections authorized by law are afforded to Tenants of Rental Units.
- (e) Posting of Notice. For every Property containing Rental Units subject to this Article, the Landlord shall post a notice on a form prepared and authorized by the Rental Board, providing information about the existence of this Article. Notice must be posted in a conspicuous location in the lobby of the Property, near a mailbox used by all Tenants, or in or near a public entrance to the Property. The notice shall be written in English and Spanish, and in any other languages as required by the Rental Board.
- (f) Security Deposits. No Landlord shall increase a security or other deposit originally required from a Tenant as a condition of continued occupancy of a Rental Unit subject to this Article. Landlords shall pay interest annually on all Security Deposits held for at least one year for his or her Tenants. The interest rate to be paid on Security Deposits shall be set annually by

the Rental Board every October. A Tenant shall be given the unpaid accrued interest within the timeframe outlined in California Civil Code Section 1950.5.

- (1) The interest rate shall be based on the average of the interest rates on savings accounts paid on October 1 of the year in which the interest rate is adopted, by at least five Federal Deposit Insurance Corporation (FDIC) insured banks with branches in Pasadena. The Rental Board shall adopt the rate by November 1 of each year. The interest rate established by the Rental Board shall be the rate in effect from January 1 through December 31 of the subsequent year.
- (g) Retaliation is Barred. No Landlord may threaten to bring, or bring, an action to recover possession, cause the Tenant to quit the Rental Unit involuntarily, serve any Written Notice to Cease or notice of termination of tenancy, decrease any services, interfere with the Tenant's quiet enjoyment of the Rental Unit and common areas, or increase the Rent where the Landlord's dominant motive is retaliation against the Tenant for the Tenant's assertion or exercise of rights under this Article, including creating and/or associating with Recognized Tenants Organizations or individuals involved with tenant advocacy. Such retaliation shall be a defense to an action to recover possession, or it may serve as the basis for an affirmative action by the Tenant for actual and punitive damages and injunctive relief. A Tenant may assert retaliation affirmatively or as a defense to the Landlord's action regardless of the period of time which has elapsed between the Tenant's assertion or exercise of rights under this Article and the alleged act of retaliation. However, there is a presumption of retaliation if Tenant engages in protected activity described herein in the twelve (12) months immediately preceding the issuance of a Written Notice to Cease. The Rental Board may address retaliation issues further in its rules and regulations consistent with the intent of this subsection to prevent unlawful retaliation.
 - (h) Harassment is Prohibited. No Landlord may threaten to bring, or bring, an action to recover possession, cause the Tenant to quit the Rental Unit involuntarily, serve any Written Notice to Cease or notice of termination of tenancy, change the terms of lease without express written agreement from the Tenant, decrease any services, refuse to accept or acknowledge receipt of a Tenant's lawful Rent pursuant to this Article, or interfere with the Tenant's quiet enjoyment of the Rental Unit and common areas as part of an attempt to increase the Rent above the maximum allowable Rent permitted under this Article, either by obtaining such excessive Rent from the Tenant or by creating a vacancy and increasing the Rent for a new Tenant. Tenants are also protected from harassment for creating and/or associating with Recognized Tenant Organizations or individuals involved with tenant advocacy. Such harassment shall be a defense to an action to recover possession, or it may serve as the basis for an affirmative action by the Tenant for actual and punitive damages and injunctive relief. The Rental Board may address harassment issues further in its rules and regulations consistent with the intent of this subsection to prevent unlawful harassment.
 - (i) Notice to Specify Basis for Termination. Any notice purporting to terminate tenancy on any of the bases specified in this section must state with specificity the basis on which the Landlord seeks to terminate the tenancy.
 - (j) Landlord Compliance with this Article. In any action brought to recover possession of a Rental Unit subject to this Article, the Landlord shall allege compliance with this Article.
 - (k) Filing Termination Notices with Rental Board. The Landlord shall file with the Rental Board a copy of any notice terminating tenancy, including but not limited to a Written Notice to Cease, within three (3) days after serving the notice on the Tenant. The notice must be accompanied by a form summarizing the protections afforded to the Tenant by this Article, which will be prepared by the Rental Board.

- (l) Failure to Comply. A Landlord's failure to comply with any requirement of this section, including without limitation the failure to serve any of the required notices to the Rental Board or to pay Relocation Assistance in subsection (b), is a complete affirmative defense in an unlawful detainer or other action brought by the Landlord to recover possession of the Rental Unit.

SECTION 3. Article XVIII, Section 1808 of the Charter of the City of Pasadena is amended to read:

Section 1808. - RENT INCREASES PURSUANT TO ANNUAL GENERAL ADJUSTMENT.

- (a) Annual General Adjustment. No later than September 1 each year, the Rental Board shall announce the amount of the Annual General Adjustment, which shall be effective as of October 1 of that year. The Annual General Adjustment is the percentage by which the Rent for existing tenancies in Covered Rental Units may be increased each year, subject to the limitations of this Article.
 - (1) The Annual General Adjustment shall be equal to seventy five percent (75%) of the percentage increase in the Consumer Price Index (CPI) (All Items, All Urban Consumers, Los Angeles-Riverside-Orange County region or any successor designation of that index that may later be adopted by the U.S. Bureau of Labor Statistics) as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the twelve-month period ending as of March of the current year. The Annual General Adjustment shall be rounded to the nearest one-quarter of a percent. The first Annual General Adjustment shall be in accordance with Subparagraph (3) of this section.
 - (2) In the event that the percentage change in the Consumer Price Index is negative, the Annual General Adjustment shall be zero percent (0%).
 - (3) Pursuant to Subsection (a) herein, the Rental Board's first announcement of an Annual General Adjustment shall be made no later than ninety (90) days after the Board's first regular meeting. Accordingly, the first Rent increase that a Landlord may impose pursuant to this Article shall not take effect prior to October 1, 2022. For tenancies established before May 17, 2021, the amount of the first Annual Adjustment, which shall be effective on October 1, 2022, shall be equal to seventy-five percent (75%) of the percentage increase in the CPI from May 2021 through May 2022; for tenancies established after May 17, 2021, the amount of the first Annual Adjustment shall be equal to seventy-five percent (75%) of the percentage increase in the CPI from the first month of the tenancy through May 2022. The Rental Board shall publish a schedule indicating the first Annual Adjustment allowed based on the start date of the relevant tenancy.
 - (4) A Landlord who seeks to raise Rent by the Annual General Adjustment must do so within the twelve (12)-month period between October 1 of the current year and September 30 of the following year. A Landlord who fails to implement a Rent increase pursuant to the Annual General Adjustment during such period shall not be eligible to defer implementation of the Annual General Adjustment in a later year.
- (b) One Rent Increase Per Year. No more than one Rent increase per twelve-month period may be imposed on a Tenant.
- (c) Notice of Rent Increase Required. Allowable Rent increases pursuant to the Annual General Adjustment shall become effective only after the Landlord provides written notice to the Tenant in the manner prescribed by law, with at least thirty (30) days' advance written notice.

- (d) Notice Required to Increase Rent or Change Other Terms of Tenancy. As part of any notice to increase Rent or change any terms of tenancy, a Landlord must include:
 - (1) Notice of the existence of this Article; and
 - (2) The right to Petition against any Rent increase in excess of the Annual General Adjustment unless such Rent increase is pursuant to an approved Petition.
 - (3) No Rent Increase shall take effect until the requirements of this subsection have been met.
- (e) Conditions Under Which Rent Increase is Not Permitted. No Rent increase shall be effective if the Landlord:
 - (1) Has failed to substantially comply with all provisions of this Article and all rules and regulations promulgated by the Rental Board; or
 - (2) Has failed to maintain the Rental Unit in compliance with California Civil Code Sections 1941.1 et seq. and California Health and Safety Code Sections 17920.3 and 17920.10; or
 - (3) Has failed to make repairs ordered by a Hearing Officer, the Rental Board, or the City of Pasadena

SECTION 4. Article XVIII, Section 1811 of the Charter of the City of Pasadena is amended to read:

Section 1811. - PASADENA RENTAL HOUSING BOARD.

- (a) Composition. There shall be in the City of Pasadena an appointed Rental Housing Board comprised of Pasadena residents as set forth in this section. The Rental Board will consist of eleven (11) members. Seven (7) members must be Tenants, None of whom may have Material Interest in Rental Property at the time of their appointment or at any later time during their service. The City Council shall appoint one Tenant member from each of the seven (7) districts of Pasadena. The remaining four (4) Rental Board members, henceforth referred to as "at-large" members, shall be appointed by the City Council, and may reside in any district of Pasadena, may or may not be Tenants, and may or may not have Material Interest in Rental Property.

In addition, the City Council shall appoint two (2) alternate Board members, one of whom will serve as the alternate to the group of seven (7) Tenants, and the other of whom will serve as the alternate to the group of four (4) at-large members. The alternate member for the Tenant group must be a Tenant and must not have Material Interest in Rental Property at the time of their appointment or at any later time during their service. The alternate Tenant Member may reside in any district of Pasadena. The alternate member for the at-large group will be appointed, as with the other at-large members, without restrictions on district of residency within Pasadena, Tenant status, or Material Interest in Rental Property. The alternate Board Members will be permitted to attend all Board meetings, and to speak, but will not be authorized to vote unless a regular member of their corresponding group is absent from that meeting or is disqualified or recused from voting on one or more agenda items, or has resigned or been removed from the Rental Board. If any one of the Tenant Members or the Alternate Tenant Member becomes aware that they have gained Material Interest in Rental Property at any time during their service, they must resign their position on the Rental Board and notify City Council within five (5) business days. If any member resigns or is removed from the Rental Board, this will be considered a vacancy, and the

member must be replaced in accordance with the procedure described in Section 1811(k). Anyone nominated to this Rental Board must be in compliance with this Article and all other local, state and federal laws regulating the provision of housing. Annually, the Rental Board shall elect one of its members to serve as chairperson.

- (b) Eligibility and Appointment. All prospective members of the Rental Board shall submit an application to the City Council. This application must include a proof of residency in whichever Pasadena district the applicant claims to reside. The application must also include the signatures of at least 25 residents of the applicant's district endorsing the appointment, collected on a form provided for this purpose by the City Clerk or designee. These signatures will be verified by the City Clerk or designee. Additionally, the application shall include a verified statement under penalty of perjury on a form provided by the City Clerk or designee of the interests and dealings of the applicant and their Extended Family in Rental Properties in the county of Los Angeles during the three (3) years immediately prior to the submission of the application. This documentation shall be made available to the public. No Extended Family member of any current member of City Council may be appointed to the Rental Board. No Tenant residing at a property owned or managed by a Council member or any member of the Council member's Extended Family, or in which any Council member or any member of their Extended Family has any ownership stake, may be appointed to the Rental Board.
- (c) Requirement of Tenant Members: Tenant Board members, including the Alternate Tenant member, must additionally, and under penalty of perjury, provide a written affirmation of their lack of Material Interest in Rental Property at the time of their initial appointment, and once each year of their service following their initial appointment. Rental Board members shall be appointed by the City Council at a public meeting within 120 days of the effective date of this Article. In the case of initial appointments, City Council must publish a solicitation for applications within 30 days of the effective date of this article. In the case of subsequent appointments due to vacancies, City Council must publish a solicitation for applications within 30 days of the date it becomes aware of the vacancy. In the case of term limits, City Council shall publish a solicitation for applications 120 days before the end of each term. In all cases, City Council must announce their appointments within 90 days of the publication of the solicitation for applications. All solicitations must specify which position is open, and the length of each corresponding term. All forms related to the application, including the instructions for application, must be made publicly available by the City Clerk or designee by the date of each solicitation.
- (d) Term of Office. Rental Board members shall serve four (4) year terms, unless they are appointed to fill unexpired terms or are designated to fill a two (2) year term on the initial Board. Those members filling unexpired terms shall serve the remaining length of the unexpired term. Members may serve no more than eight (8) consecutive years. Member terms shall be staggered. Four (4) of the tenant appointees initially appointed shall serve for four (4) years; the terms of the remaining initial tenant appointees shall be two (2) years. Two (2) of the at-large appointees initially appointed shall serve for four (4) years; the terms of the remaining initial at-large appointees shall be two (2) years. The initial term for any alternate shall be for four (4) years. The City Council will appoint members to the Board with careful alacrity, taking care to ensure there are no unfilled Board seats. Tenant members of the Board may be removed pursuant to a petition process established by ordinance of the City Council. The petition must be signed by 10% of the qualified voters of the district from which the tenant was appointed. At-large members may be removed pursuant to a petition process established by ordinance of the City Council. The petition must be signed by 5% of the qualified voters of the City. Any member of the Board may be removed by the City Council upon petition by the Rental Board for repeated or significant violations of the Rental Board's

Code of Conduct, which shall be established by the Rental Board by regulation. A petition of the Rental Board to remove a Board member must be approved by a two-thirds majority of the Rental Board members in attendance at the meeting where the petition is voted on. No vote of the electorate will be required to remove a Board member.

- (e) Powers and Duties. The Rental Board shall have the following powers and duties:
- (1) Set allowable Rent increases at fair and equitable levels to achieve the purposes of this Article. Notwithstanding any other provision of this Article, the Rental Board shall have the authority to adopt regulations authorizing Rent increases and/or adjustments required by state or federal law.
 - (2) Establish rules and regulations for administration and enforcement of this Article.
 - (3) Determine and publicize the Annual General Adjustment pursuant to this Article.
 - (4) Appoint Hearing Officers to conduct hearings on Petitions for Individual Rent Adjustment pursuant to this Article. The duties and powers of Hearing Officers are laid out in Section 1814(a). Before a Hearing Officer is appointed, they must complete a verified statement of Material Interest under penalty of perjury, as described in Section 1811(c). This document will be made available to the public. Additionally, a Hearing Officer will be disqualified from hearing a Petition under the same circumstances that a Board Member would be disqualified from ruling on a petition, detailed in Section 1811(q). If a Hearing Officer is disqualified from hearing a Petition, the Rental Board will appoint another Officer in their place.
 - (5) Delegate authority to adjudicate petitions as appropriate and act as the appellate body that reviews and adjudicates appeals on decisions made by a Hearing Officers.
 - (6) Establish procedures and timelines for hearings on Petitions, including determining the timelines and procedures for appeals to the Rental Board.
 - (7) Establish procedures and timelines for the withholding of Rent by a Tenant in the event that a Landlord fails to repay them excessive Rents charged, as detailed in Section 1813(e).
 - (8) Issue rules and regulations for Petitions not enumerated in this Article as necessary to effectuate the purposes of this Article.
 - (9) Administer oaths and affirmations and subpoena witnesses and relevant documents.
 - (10) Establish a budget for the reasonable and necessary implementation of the provisions of this Article, including but not limited to the hiring of necessary staff, such as Hearing Officers, and the maintenance of a Rental Registry. The Rental Board may charge fees in an amount sufficient to support this budget.
 - (11) Administer the withdrawal process for the removal of Rental Units from the rental housing market.
 - (12) Hold public hearings.
 - (13) Conduct studies, surveys, investigations, audits, and hearings, and obtain information to further the purposes of this Article
 - (14) Make quarterly reports to the City Council on the status of Rental Units subject to this Article. Reports shall be made available to the public and include, but not be limited to:
 - (a) a summary of the numbers of Written Notices to Cease served pursuant to this Article, including the bases upon which they were served, (b) a summary of any and all Petitions submitted to and/or decided by a Hearing Officer and/or the Rental Board pursuant to

this Article, including the bases on which the Petitions were submitted and the determinations on the Petitions, (c) a summary of any and all other matters brought before the Rental Board, and (d) a summary of egregious cases and actors with numerous or frequent violations and actors engaging with the Rental Board in bad faith.

- (15) Publicize through reasonable and appropriate means the provisions of this Article, including without limitation the rights and responsibilities of Landlords and Tenants.
 - (16) Establish a schedule of penalties that may be imposed for noncompliance with this Article or with rules and regulations promulgated under this Article.
 - (17) Pursue civil remedies as provided by this Article in courts of appropriate jurisdiction.
 - (18) Intervene as an interested party in any litigation brought before a court of appropriate jurisdiction by a Landlord or Tenant with respect to Rental Units subject to this Article.
 - (19) Establish and maintain a Rental Registry. The Rental Board shall make all reasonable efforts to guarantee that appropriate contents of the Rental Registry are easily accessible to all Pasadena residents.
 - (20) Produce written notices and other public documents in English and Spanish, and shall make a reasonable effort to accommodate additional languages as requested.
 - (21) Any other duties necessary to administer and enforce this Article.
- (f) Rules and Regulations. The Rental Board shall issue and follow such rules and regulations as will further the purposes of the Article.
 - (g) Meetings. The Rental Board shall hold regularly scheduled meetings as necessary to ensure the performance of its duties under this Article. All regular and special meetings shall be called and conducted in accordance with state law.
 - (h) Quorum. Six (6) members, at least four (4) of whom must be Tenants, shall constitute a quorum for the Rental Board.
 - (i) Voting. The affirmative vote of six (6) members of the Rental Board is required for a decision, including on all motions, regulations, and orders of the Rental Board.
 - (j) Compensation. Each member of the Rental Board shall be compensated on an hourly basis for their time committed to Rental Board meetings. The chairperson of the Board will record the length of each meeting, and all Board Members in attendance will be compensated accordingly. Board Members will be compensated for a maximum of twenty (20) hours per week. The hourly rate of compensation shall be equal to 2.5 times the Pasadena minimum wage.
 - (k) Vacancies. If a vacancy occurs on the Rental Board, a person qualified to fill such vacancy shall be appointed by the City Council in accordance with the appointment schedule described in Section 1811(c) as well as the eligibility conditions described in Sections 1811(a) and 1811(b). No vacancy shall remain unfilled for a period longer than 120 days. If the missing member is a non-alternate member of the Tenant group, their replacement must be appointed by the Councilmember representing their district. Otherwise, the replacement will be appointed by the City Council collectively. If the missing member is not an alternate, then the alternate member of the corresponding group (Tenant or At-large) will vote in the place of the missing member until a replacement is appointed.
 - (l) Financing. The Rental Board shall finance its reasonable and necessary expenses, including without limitation engaging any staff as necessary to ensure implementation of this Article, by charging Landlords an annual Rental Housing Fee as set forth herein, in amounts deemed

reasonable by the Rental Board in accordance with applicable law. The Rental Board is also empowered to request and receive funding when and if necessary from any available source, including the City of Pasadena, for its reasonable and necessary expenses.

- (1) Rental Housing Fee. All Landlords shall pay a Rental Housing Fee on an annual basis. The first Rental Board convened after the effective date of this Article shall determine the amount of the Rental Housing Fee. The amount of the Rental Housing Fee may differ between Rental Units subject to the entirety of this Article and those that are partially exempt. The Rental Board may adjust the amount of the Rental Housing Fee at its discretion to ensure full funding of its reasonable and necessary expenses, in accordance with all applicable law.
 - (A) Pass-Through to Tenants. No portion of the Rental Housing Fee may be passed through to Tenants. The Rental Housing Fee may be claimed as an operating expense for the purpose of a Petition for Individual Rent Adjustment.
- (2) City to Advance Initial Funds. During the initial implementation of this Article, the City shall advance all necessary funds to ensure the effective implementation of this Article, until the Rental Board has collected Rental Housing Fees sufficient to support the implementation of this Article. The City may seek reimbursement of any advanced funds from the Rental Board after the Rental Housing Fee has been collected. Reimbursement of the City shall not take precedent over the normal and reasonable operating costs of the Rental Board.
- (m) Integrity and Autonomy of Rental Board. 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 II, Chapter 2.30 [Section 2.30.020] of the Pasadena Municipal Code. The City shall provide infrastructure support on an ongoing basis as it would with any other City department.
- (n) Board Legal Work. The Rental Board may, in its sole discretion, and without approval of the City Council, retain private attorneys to furnish legal advice or representation in particular matters, actions, or proceedings.
- (o) Conforming Regulations. If any portion of this Article is declared invalid or unenforceable by decision of a court of competent jurisdiction or rendered invalid or unenforceable by state or federal legislation, the Rental Board and not the City Council shall have authority to enact replacement regulations consistent with the intent and purpose of the invalidated provision and applicable law. Such replacement regulations shall supersede invalidated or unenforceable provisions of this Article to the extent necessary to resolve any inconsistency. The subject matter of such replacement regulations shall be limited to the matters addressed in this Article.
- (p) Designation of Replacement Rental Board. In the event the establishment of the Rental Board under this section is adjudged to be invalid for any reason by a court of competent jurisdiction, the City Council shall designate one or more City departments, agencies, Rental Boards, or commissions to perform the duties of the Rental Board prescribed by this Article.
- (q) Conflict of Interest. Rental Board members shall not necessarily be disqualified from exercising any of their powers and duties on the grounds of a conflict of interest solely on the basis of their status as a Landlord, Property manager, realtor, developer, or Tenant, provided they meet the eligibility requirements of their respective group (Tenant or at-large). However, a Rental Board member shall be disqualified from ruling on a Petition if the Rental Board

member either has Material Interest in a Rental Property involved in the Petition, or is a Tenant at that Property, or has an Extended Family member who is a Tenant at the Property, or has met any of these criteria at any time since their appointment to the Rental Board, or during the three (3) years preceding their appointment. The provisions of the Political Reform Act, California Government Code Sections 87100 et seq. shall apply.

SECTION 5. Article XVIII, Section 1812 of the Charter of the City of Pasadena is amended to read:

Section 1812. - RENTAL REGISTRY.

The Rental Board shall create a Rental Registry and online portal pursuant to the requirements of this section. The Rental Registry and online portal shall be designed to receive information from owners of Properties subject to registration and to disseminate information to the public. The Rental Board shall promulgate regulation necessary to implement these provisions.

- (a) Covered Properties. Properties with Covered Rental Units are subject to registration in the Rental Registry. The Rental Board may require additional Properties to be subject to registration at its discretion.
- (b) Owner Information Submission. All owners of Property subject to registration must complete and submit a rental registry form for each such Property no later than 90 days after the Rental Registry becomes operational, and subsequently every following year, as established by regulation by the Rental Board. In the event of any change in Property ownership, the new owner must register or update the Rental Registry within 30 days of the change of ownership.
- (c) Data Collected. The rental registry form shall collect information about Rental Units subject to registration, including but not limited to:
 - (1) The legal address or addresses of each Property, and all associated Rental Unit numbers or addresses.
 - (2) The legal name of the owner or ownership entity for each Property, including, but not limited to, limited partners, general partners, and LLC members.
 - (3) The name and contact information of a natural person serving as point of contact for purposes of service or contact.
 - (4) The number and size of each Rental Unit, including the number of bedrooms, bathrooms, and approximate square footage of the Rental Unit.
 - (5) The beginning and end dates (if any) of all tenancies begun or terminated within the past year.
 - (6) The amount of Rent collected over the past year for each Rental Unit during each month of occupation.
 - (7) The utilities, services, and other amenities included in the Rent for each Rental Unit.
- (d) Online Portal. The Rental Board shall make the following information available as part of the online portal:
 - (1) The maximum lawful rent for each Rental Unit.

- (2) The actual rent charged each month that the unit was occupied.
 - (3) The beginning and end dates (if any) of all tenancies begun or ended within the past year.
 - (4) The number of bedrooms in each Rental Unit and the approximate square footage of each Rental Unit.
 - (5) Additional information as required by regulations promulgated by the Rental Board.
- (e) Violations. The Rental Board may also publish information about violations of housing codes or violations of this article pertaining to a given Rental Unit through the online portal. If the Rental Board chooses to publish such information, it must establish regulations which limit or redact these publications in order to balance the desire for transparency with a respect for the privacy of Tenants. Such regulations must also guarantee that these publications do not violate any applicable law.
- (f) Data Publication. The Rental Board should regularly collect, analyze, and publish various local statistics computed using the data described in (d) and (e) above, including, but not limited to statistics regarding rents, rent increases, unit mix, changes in tenancy, and code compliance and violations.
- (g) Other Jurisdictions. The Rental Board may determine that, if another jurisdiction maintains a publicly available Rental Registry that collects and makes available substantially the same information, it may be more efficient and financially responsible for the Rental Registry authorized and required in this Section to be combined with the Rental Registry of another jurisdiction. The Rental Board may issue regulations from time to time to maximize the efficiency of this duty while complying with the substantive requirements of this Section.
- (h) Failure to Register. Pursuant to Section 1817(g), the Rental Board shall establish appropriate penalties for the failure of a Landlord to register any Property subject to registration under this Section.

SECTION 6. Article XVIII, Section 1817 of the Charter of the City of Pasadena is amended to read:

Section 1817. - REMEDIES.

In addition to any other remedies provided by law, Landlords and Tenants covered by this Article shall have the following remedies for violations of this Article.

- (a) Landlord's Demand or Retention of Excessive Rent. When a Landlord demands, accepts, receives, or retains any payment or payments in excess of the lawful Rent pursuant to this Article and the regulations promulgated hereunder, including in violation of the provisions ensuring compliance with habitability standards and maintenance of Housing Services, the Tenant may file a Petition pursuant to Section 1813 or file a civil suit against the Landlord. A Landlord who demands, accepts, receives, or retains any payment of Rent in excess of the lawful Rent shall be liable to the Tenant in the amount by which the payment or payments have exceeded the lawful Rent. In such a case, the Rent shall be adjusted to reflect the lawful Rent pursuant to this Article and its implementing regulations.

- (b) Civil Remedies. A Tenant may bring a civil suit in the courts of the state alleging that a Landlord has violated any of the provisions of this Article or the regulations promulgated hereunder, including that the Landlord has demanded, accepted, received, or retained a payment or payments in excess of the lawful Rent. In a civil suit, a Landlord found to violate this Article shall be liable to the Tenant for all actual damages, including but not limited to the damages described in Subsection (a) herein. A prevailing Tenant in a civil action brought to enforce this Article shall be awarded reasonable attorney's fees and costs as determined by the court. Additionally, upon a showing that the Landlord has acted willfully or with oppression, fraud, or malice, the Tenant shall be awarded treble damages. No administrative remedy need be exhausted prior to filing suit pursuant to this subsection.
- (c) Additional Relief for Landlord's Violation of Eviction Rules. If it is shown that the event which the Landlord claims as grounds to recover possession under Section 1806 is not initiated within two (2) months after the Tenant vacates the Rental Unit, or it is shown that the Landlord's claim was false or in bad faith, the Tenant shall be entitled to regain possession of the Rental Unit at same Rent that was lawfully in effect when the Tenant vacated, in addition to the relief described in Subsection (b) herein.
- (d) Defense to Action to Recover Possession. A Landlord's failure to comply with any of the provisions of this Article or regulations promulgated hereunder may be raised as an affirmative defense in an unlawful detainer or other action brought by the Landlord to recover possession of the Rental Unit. Any and all violations of this Article by the Landlord shall constitute such an affirmative defense, including but not limited to the demand or retention of payment in excess of the lawful Rent, failure to serve any of the notices required pursuant to this Article on the Tenant or the Rental Board, failure to pay the Rental Housing Fee, failure to pay any required Relocation Assistance, and a decrease in Housing Services or maintenance without a corresponding reduction in Rent. It is the intent of this Article to construe this subsection to the broadest extent permissible under the law to ensure maximum compliance with this Article and avoid unlawful evictions.
- (e) Eviction Protection for Victims of Domestic Violence or Sexual Assault or Stalking or Abuse. It shall be a defense to an action for possession of a unit under Section 1806(a)(3)-(4) if the trier of fact determines that:
 - (A) The Tenant or the Tenant's household member is a victim of an act or acts that constitute domestic violence or sexual assault or stalking or abuse; and
 - (B) The notice to vacate is substantially based upon the act or acts constituting domestic violence or sexual assault or stalking or abuse against the Tenant or a Tenant's household member, including but not limited to an action for possession based on complaints of noise, disturbances, or repeated presence of police.
- (f) Rental Board or City Attorney Enforcement Action. If the Tenant fails to bring a civil or administrative action to enforce the Tenant's rights under this Article, the Rental Board or the City Attorney may bring such an action or settle the claim on the Tenant's behalf. If the Rental Board or City Attorney brings such an action, the Tenant shall be provided the right to opt in or out of the action. In the case of an opt-in, the Tenant on whose behalf the Rental Board acted is barred from bringing a separate action against the Landlord in regard to the same violation, and the Rental Board or City Attorney shall be entitled to recuperate the costs it incurred from any monetary recovery from the Landlord, with the remainder to go to the Tenant against whom the violation has been committed. In the case of an opt-out, the Tenant shall retain all rights relating to his or her right to private

action. The Rental Board or City Attorney may take other such enforcement action as necessary to ensure compliance with this Article.

- (g) Administrative Penalties for Violations. In addition to any affirmative defense or any other rights of a tenant under law, a violation of this Article shall be punishable administratively by way of a fine. The Rental Board may establish, and periodically modify, a schedule of fines for violations of various provisions of this article as they see fit, provided these amounts are reasonable, and are chosen in accordance with applicable law.
- (h) Criminal Penalties. In addition to the administrative penalties in subsection (g) above, any person that violates this Article may be prosecuted for a misdemeanor or an infraction in accordance with the Pasadena Municipal Code, in the discretion of the City Attorney or City Prosecutor, or their assistants.
- (i) Remedies Not Exclusive. The remedies available in this Article are not exclusive and may be used cumulatively with any other remedies in this Article or otherwise available at law.
- (j) Jurisdiction. The appropriate court in the jurisdiction in which the Rental Unit is located shall have jurisdiction over all actions brought under this Article.