



To: Pasadena Rental Housing Board
From: bhyv Consulting LLC
Date: December 20, 2023
Re: Staffing Model and Cost Analysis for Pasadena Rent Stabilization Department

I. EXECUTIVE SUMMARY

Pasadena voters passed Measure H to amend the City Charter and enact rent control on November 8, 2022. On December 12, 2022, the City Council adopted Resolution No. 9970, certifying the November 8, 2022 General Election results showing that Measure H – the Pasadena Charter Amendment Initiative Petition Measure Imposing Rent Control was approved by voters. The Charter Amendment was subsequently filed with the California Secretary of State and took effect on December 22, 2022. The Pasadena Fair and Equitable Housing Charter Amendment [under Article XVIII in the Municipal Code](#) details the extent and purview of Pasadena’s rent control ordinance, including the establishment of a rental housing fee for applicable rental units, a rent registry that is a database of all eligible rental units, and a Rental Board to oversee the administration and implementation of the Charter Amendment.

This report provides the recommended staffing model for an effective rent stabilization program under the Charter Amendment and includes a cost and fee analysis for establishing this new agency. It gives an estimate of one-time costs and ongoing annual costs needed to fund Pasadena’s new rent stabilization department. \$5,914,056 will be needed to cover ongoing annual costs and \$765,000 is required in one-time costs for initial IT and office set-up, for a total of \$6,679,056 in the first year.¹ Based on these calculations, this report calculates that Pasadena’s rental housing fee needs to be \$213 per unit to cover the costs of creating and implementing its rent stabilization program. The rental housing fee will need to be recalculated each year as a part of the Rental Board’s approval of the Rent Stabilization’s Department ongoing operating budget.

The report is organized in 5 sections listed below:

- Background
- Analysis of Program Structure and Costs
- Rental Housing Fee
- Comparison to Other Municipalities
- Conclusion

¹ The projected ongoing annual cost is within 10% of the proposed budget in Management Partner’s 2022 analysis for the City of Pasadena. Management Partners estimated \$5,453,460 in ongoing annual cost and \$310,000 in one-time costs for a total proposed budget of \$5,763,460 for the first year. Their analysis did not include administrative costs required to support City of Pasadena departments and calculated lower estimates for the IT start-up and database acquisition. The costs in this report are based on more accurate estimates provided by the City of Pasadena.



II. BACKGROUND

Pasadena's Rent Stabilization Program and State Limitations

Strong rent control and eviction protections are essential elements of anti-displacement housing policies. Studies have revealed that cities with active enforcement programs achieve greater compliance and reduce the amount of rent overcharges tenants pay. For example, in 2009, Berkeley and Los Angeles conducted separate research analyzing their respective programs. At the time, Los Angeles employed a passive enforcement model whereas Berkeley implemented active enforcement of its ordinance. The research found that 27% of Los Angeles tenants were paying 5% or more above the legal allowed amount for their unit whereas in Berkeley only 5% of tenants were being overcharged.² Pasadena voters enacted an active enforcement program for their city through Measure H by requiring the establishment of a rent registry. A rent registry is a database of all eligible rental units that tracks their allowable rental increases over time. It is considered the gold standard for an active enforcement program.

State law under Costa-Hawkins (1995) restricts California cities from imposing rent control on units constructed after the legislation was adopted. This means rent regulations can only apply to pre-1995 units. However, the law does not preclude cities from imposing just cause eviction limitations on rental units built after 1995. The Pasadena Fair and Equitable Housing Charter Amendment applies eviction regulations to post-1995 units. Pasadena's rent control program will therefore be responsible for enforcing rent control for eligible units built prior to 1995 and also be responsible for enforcing just cause for evictions in eligible units built before and after 1995.

Pasadena's Housing Stock and Eligible Rental Units

The tables below provide a breakdown of the housing units in Pasadena by building size and number of units that would be eligible for Pasadena's rent stabilization program. On the next page, **Table 1** estimates the number of rental units that were built before 1995, and **Table 2** estimates the number of units built after 1995.

²Los Angeles report: Economic Roundtable, Economic Study of the Rent Stabilization Ordinance (RSO) and the Los Angeles Housing Market, 2009, available at the L.A. Housing Department website; Berkeley report: Berkeley Rent Stabilization Board, REport on the April - May 2009 Survey of Tenants of Registered Rental Units, March 15, 2010, available on the BERkeley Rent Stabilization Program website.



Table 1: Estimated Number of Rental Units Built Before 1995

Unit Type	Number of Housing Complexes	Number of Units	Estimated Number of Tenant Occupied Units	Percent of Units that are Tenant Occupied
Condos	N/A	6,814	3,680	54%
Duplex	1,760	3,520	2,499	71%
Triplex	595	1,785	1,464	82%
Quadplex	464	1,856	1,559	84%
Multi-Family	1,163	15,650	15,650	100%
Total	N/A	29,625	24,852	83.9%

Source: City of Pasadena, Planning and Community Development Department

Table 2: Estimated Number of Rental Units Built After 1995

Unit Type	Number of Housing Complexes	Number of Units	Estimated Number of Tenant Occupied Units	Percent of Units that are Tenant Occupied
Condos	N/A	3,029	1,636	54%
Duplex	21	42	30	71%
Triplex	3	9	7	82%
Quadplex	2	8	7	84%
Multi-Family	61	4,784	4,784	N/A
Total	N/A	7,872	6,464	82.1%

Source: City of Pasadena, Planning and Community Development Department

As the above tables indicate, an estimated 24,852 rental units would have Pasadena’s rent control provisions apply to them and an additional 6,464 rental units would have the City’s just cause eviction protections apply to them. Given the complexity of the law, Pasadena’s Rental Board will need an agency that can regulate rents; administer a rent registry; oversee mediations, hearings, and appeals; and monitor evictions to determine that they are in compliance with local law. In the next section, this report will detail the staffing model necessary to implement and enforce Pasadena’s rent stabilization and eviction protection laws and regulations.



III. ANALYSIS OF PROGRAM STRUCTURE AND COSTS

This report has identified 5 cost categories for this new agency which include:

- Personnel
- IT startup costs and services, operations and maintenance, and other administrative services
- Office Space
- Rental Board Compensation
- Other One-Time Costs and Considerations

Personnel

The largest cost category in a rent stabilization departmental budget is personnel.

Pasadena's Charter Amendment created an active model of rent stabilization and eviction protections that necessitates multiple divisions to support the different functions required to successfully implement the law. This report will detail the recommended operational structure, required employee classifications, and the number of employees needed to accomplish the anticipated workload in each division. This structure is based on best practices in similar municipalities with active enforcement rent stabilization programmatic models. Additionally, City of Pasadena staff were consulted through a series of interviews and collaborative meetings, and citywide job classifications were examined in order to inform the recommendations in this report.

Department Structure and Staffing

Based on best practices in California, it is recommended that the Rent Stabilization Department is organized into 5 divisions as follows:

- **Administration and Policy Division** to support the Rental Board, oversee data collection and analysis, budget management, and other administrative policy and managerial functions;
- **Public Information and Outreach Division** to support community engagement, outreach, and education efforts;
- **Hearings Division** to adjudicate rent increase petitions and facilitate mediation procedures;
- **Rent Registration Division** to manage, maintain, and implement the rent registry and other enforcement activities;
- **Legal Division** to advise the Board and department staff on policy and procedural and legal issues, support enforcement activities, and represent the Board in litigation and writ proceedings.

Table 3 on the next page has a detailed breakdown of division activities:



Table 3: Rent Stabilization Department Divisions and Activities

Divisions of Office	Number of FTEs	Activities
Administration & Policy	4 FTEs	<ul style="list-style-type: none"> • Supports the Rental Board, policy matters, and overall administration • Leads data collection and analysis • Prepares annual report • Administers contracts, billings, invoicing • Implements programmatic policies and creates strategic plans • Creates budget, program, and staffing plan • Coordinates with other City Departments
Public Information and Outreach	6 FTEs	<ul style="list-style-type: none"> • Delivers informational services to the public through drop-in clinics and responding to phone calls and emails • Prepares, updates, and distributes public information materials • Makes presentations at workshops, seminars, and other events • Attends community-based events to answer questions related to landlord and tenant issues and to distribute information on rent control program • Provides topical informational postcards to owners and tenants
Hearings	4 FTEs	<ul style="list-style-type: none"> • Conducts hearings, prepares hearing decisions, manages appeals • Conducts mediations of owner/tenant disputes (separate and independent of the petition process) • Analyzes and recommends regulatory amendments to Board based on hearing trends and changes in the law • Manages client communications, scheduling of hearings, and other tasks
Rent Registration	4 FTEs	<ul style="list-style-type: none"> • Oversees database used to create and maintain a rent registry • Manages IT updates and software development to support rent registry • Tracking and monitoring of rents and rent increases • Inputs data and relevant landlord information into rent registry and certifies they've provide requisite information each year • Provides customer service to landlords and tenants around rent registry information • Coordinates with billing and fee collection personnel to field inquiries concerning exemptions, fees, and increases compliance monitoring • Monitors rent ceilings and sends mailing to owners and tenants • Monitors Ellis Act compliance • Monitors and enforces other relevant rent stabilization and eviction protection related laws and policies
Legal	4 FTEs	<ul style="list-style-type: none"> • Provides legal expertise on cases or lawsuits challenging the local law • Represents the Rental Board in negotiations and in lawsuits • Provides legal expertise on policy changes and proposed regulations

The next section will detail the personnel necessary for each division and their estimated costs. At the end of this section, a summary table is provided to illustrate the total personnel needed to implement Pasadena's rent stabilization and just cause eviction framework. The City of Pasadena Human Resources Department provided all staffing cost estimates based on existing Pasadena



classifications. This includes the maximum base salary, health, and CalPERS retirement benefits. Where this report determined a new classification was justified, the City of Pasadena Human Resources Department provided an estimate for this new classification to ensure pay equity within the City.

Administration & Policy Division

Staff: 4.0 FTEs
 Budget: \$824,909

Table 4: Administration & Policy Division Staffing Model Breakdown

Job Classification	New/Existing Class?	FTEs	Salary	Benefits	Estimated Annual Cost
Department Director	New	1.0	\$ 228,781	\$ 112,975	\$ 341,756
Management Analyst III	Existing	1.0	\$ 108,903	\$ 67,231	\$ 176,134
Senior Business System Analyst	Existing	1.0	\$ 121,295	\$ 72,042	\$ 193,337
Senior Office Assistant	Existing	1.0	\$ 63,779	\$ 49,904	\$ 113,682
Total		4.0	\$ 522,758	\$ 302,152	\$ 824,909

This Division would provide the department's leadership, management, and administrative oversight. Because there are currently no equivalent positions for the Department Director in the City, the Board will need to draft and approve a new job classification for this role.

The remaining personnel in this unit will serve various high-level supportive roles to the Department Director as follows:

- Management Analyst III - is the lead administrative manager for the department and will supervise other administrative staff in the various departmental units. Additionally, this position is responsible for contract management, communications, and budget management support. This position also supports the Board and serves as liaison with other city departments concerning administration for Rental Board meetings.
- Senior Business System Analyst - is responsible for overseeing technological needs and its data collection protocols. This role would be expected to work closely with the City of Pasadena's Department of Information Technology (DoIT) to identify the department's ongoing tech innovations and serve as the liaison with contracted technology vendors.
- Senior Office Assistant - performs a number of administrative, clerical, and logistical duties to support the Division in effectively leading the agency, including serving as executive assistant to the Department Director.



Public Information and Outreach Division

Staff: 6.0 FTEs
 Budget: \$852,178

Table 5: Public Information and Outreach Division Staffing Model Breakdown

Job Classification	New/Existing Class?	FTEs	Salary	Benefits	Estimated Annual Cost
Public Information Coordinator	Existing	1.0	\$ 97,766	\$ 61,668	\$ 159,434
Housing Counselor	New	4.0	\$ 347,497	\$ 235,486	\$ 582,983
Office Assistant	Existing	1.0	\$ 60,954	\$ 48,807	\$ 109,761
Total		6.0	\$ 506,217	\$ 345,961	\$ 852,178

The Public Information and Outreach Division is responsible for disseminating information about Measure H and related regulations as well as other relevant laws and ordinances concerning landlord-tenant issues affecting Pasadena residents. This Division will also be responsible for providing holistic housing counseling to support residents in resolving landlord-tenant-related challenges related to their specific situations.

In order to support the work of this division, the following staff are recommended:

- 4.0 FTE Housing Counselors - Because of the large volume of community engagement activities and expected requests for housing counseling services, it is recommended that the Board hire 4 housing counselors to serve in this division. The Rental Board will need to create a new Housing Counselor job classification.
- Public Information Coordinator - The Housing Counselors will report to the Public Information Coordinator, who will supervise the Division. The Public Information Coordinator is an existing position in Pasadena.
- Office Assistant - The Office Assistant will support this Division with its administrative and clerical work to send out mailings, coordinate events, order supplies, and other administrative tasks required to administer the ordinance. These tasks could include data entry related to eviction notices and coordinating with other City staff in supporting the implementation of the relocation Charter provisions.



Hearings Division

Staff: 4.0 FTEs

Budget: \$933,896

Table 6: Hearings Division Staffing Model Breakdown

Job Classification	New/Existing Class?	FTEs	Salary	Benefits	Estimated Annual Cost
Senior Hearing Officer	New	1.0	\$ 183,389	\$ 96,587	\$ 279,976
Hearing Officer	New	2.0	\$ 330,300	\$ 178,969	\$ 509,269
Legal Assistant	Existing	1.0	\$ 85,907	\$ 58,744	\$ 144,651
Total		4.0	\$ 599,596	\$ 334,300	\$ 933,896

This Division is responsible for processing all petitions around rent increases, mediating cases when necessary, and presenting appeals to the Rental Board. Additionally, Hearing Officers will support other department staff in responding to complex community inquiries and serve as an integral support for Housing Counseling services and other related outreach activities.

In order to support the work of this division, the following staff are recommended:

- Senior Hearings Officer - will supervise and oversee the work of the unit and provide direct support to the Board in appeals proceedings.
- 2.0 FTE Hearings Officers - will adjudicate petition-related disputes and mediations.
- Legal Assistant - will provide the administrative and clerical support.

The Rental Board will need to create a new job classification series for the roles of Hearing Officer and Senior Hearing Officer once the hearings' adjudicative process and regulations are developed.



Rent Registration Division

Staff: 4.0 FTEs
 Budget: \$598,411

Table 7: Rent Registration Division Staffing Model Breakdown

Job Classification	New/Existing Class?	FTEs	Salary	Benefits	Estimated Annual Cost
Management Analyst IV	Existing	1.0	\$ 124,941	\$ 73,458	\$ 198,399
Management Analyst III	Existing	1.0	\$ 108,903	\$ 67,231	\$ 176,134
Senior Customer Service Representative	Existing	1.0	\$ 66,210	\$ 50,848	\$ 117,058
Customer Service Representative	Existing	1.0	\$ 58,836	\$ 47,984	\$ 106,820
Total		4.0	\$ 358,890	\$ 239,521	\$ 598,411

This Division is responsible for managing the rental registration process, which includes maintaining the rent registry database, monitoring compliance with the City's rent stabilization and eviction protection provisions, and providing customer service and support to property owners and tenants.

In order to support the work of this division, the following staff are recommended:

- Management Analyst IV - serves as division lead and is responsible for overall supervision and management of the rent registration process.
- Management Analyst III - leads compliance and enforcement efforts including monitoring exemption status, Ellis Act, and other no-fault evictions.
- 2.0 FTE Customer Service Representatives - responsible for data entry, providing registration-related inquiries, and general administrative and clerical support.



Legal Division

Staff: 4.0 FTEs

Budget: \$1,046,569

Table 8: Legal Division Staffing Model Breakdown

Job Classification	New/Existing Class?	FTEs	Salary	Benefits	Estimated Annual Cost
General Counsel/Assistant City Attorney	New/Existing	1.0	\$ 228,040	\$ 113,925	\$ 341,965
Staff Attorney/Deputy City Attorney	New/Existing	2.0	\$ 366,778	\$ 193,174	\$ 559,952
Legal Assistant	Existing	1.0	\$ 85,907	\$ 58,744	\$ 144,651
Total		4.0	\$ 680,725	\$ 365,843	\$ 1,046,569

The Legal Division will advise the Board and department staff on policy and procedural and legal issues, support enforcement activities, and represent the Board in litigation and writ proceedings. Rent Board jurisdictions throughout the state either house the legal team within the Rent Stabilization Department, directly reporting to the Department Director, or within the City Attorney's office, directly reporting to the City Attorney and dedicated to serving the Department.

To estimate staffing costs, Pasadena's HR Department provided salary information related to the City Attorney classification series. The General Counsel is equivalent to an Assistant City Attorney Position, and the Staff Attorneys are equivalent to Deputy City Attorney Positions.

Staff in City of Pasadena Departments

Staff: 0.50 FTE

Budget: \$65,277

Table 9: Pasadena Department of Information Technology (DoIT) Staffing Model Breakdown

Job Classification	New/Existing Class?	FTEs	Salary	Benefits	Estimated Annual Cost
Senior IT Support Specialist	Existing	0.5	\$ 45,662	\$ 19,615	\$ 65,277
Total		0.5	\$ 45,662	\$ 19,615	\$ 65,277



As a part of analyzing possible costs for Pasadena’s rent stabilization department, interviews were conducted with the City of Pasadena’s HR, IT, and Finance departments. Based on these interviews, this report determined that while no additional HR or Finance staff are necessary, the Rent Board would need to support adding an additional IT Support Specialist in Pasadena’s DoIT to help support the various technology needs of the new agency. The Senior IT Support Specialist will work closely with the Senior Business System Analyst in the Administration and Policy Division to develop and integrate the rent stabilization office’s software systems with the rest of the City of Pasadena’s IT infrastructure. This Specialist would also provide technical assistance with any maintenance or technology issues that the department’s staff is having with utilizing their specialized software.

Total Personnel for Pasadena Rent Stabilization Program

Staff: 22.5 FTEs

Budget: \$4,321,239

Table 10: Rent Stabilization Department Personnel Breakdown By Division

Division	Required FTEs	Estimated Annual Cost
Administrative & Policy Division	4.0	\$ 824,909
Public Information, Outreach, & Enforcement Division	6.0	\$ 852,178
Hearings Division	4.0	\$ 933,896
Rent Registry Databases & Management	4.0	\$ 598,411
Legal Division	4.0	\$ 1,046,568
<i>Subtotal</i>	<i>22.0</i>	<i>\$ 4,255,962</i>
City of Pasadena’s DoIT	0.5	\$ 65,277
Total	22.5	\$ 4,321,239

In order of priority, this reports recommends that the Rental Board focus on hiring the following staff in the next few months:

- The Department Director
- 2.0 FTE Housing Counselor
- 1.0 FTE Senior Business System Analyst
- 0.5 FTE Senior IT Support Specialist



The Department Director will lead efforts in hiring and setting up overall department infrastructure; the Housing Counselors will begin to field inquiries and calls from tenants and property owners; the Senior Business System Analyst and Senior IT Support Specialist will work together to begin to build the rent registry database and other programmatic technology systems.

The next section will go over the initial infrastructure costs and ongoing costs the department will need for its daily operations & maintenance (i.e. O&M).

IT startup costs and ongoing services, O&M, and other City of Pasadena administrative services

In meetings with City of Pasadena staff, they advised integrating the Rent Stabilization Department into the City's existing infrastructure for revenue collection, purchasing, HR, and IT support. Municipalities typically pay for inter-departmental services by paying a certain administrative overhead. The Pasadena Finance Department works with an outside consulting firm to calculate the administrative overhead it charges departments. This firm provided their calculation of \$332,167 in administrative overhead for the new Rent Stabilization Department for this report, but this amount may change slightly when the City receives the final approved operating budget from the Rental Board. In addition to administrative overhead, the Rent Stabilization Department will need to have a separate budget for its daily operations and maintenance (O&M) which are a part of staff completing their work. This report recommends an additional \$250,000 to hire outside counsel to provide representation for low-income tenants and support their right to counsel during this time period. Finally, the total proposed budget must also include one-time costs for building the department's IT infrastructure. **Table 11** summarizes these costs below.

Table 11: One-time and Ongoing IT, O&M, and Other Administrative Costs Breakdown

Type of Service	One-Time Costs	Ongoing Annual Costs	Cost
City of Pasadena Administrative Overhead ¹		\$332,167	\$332,167
City of Pasadena IT Services ²		\$249,500	\$249,500
Operations & Maintenance ³		\$400,000	\$400,000
Contracted Legal Services		\$250,000	\$250,000
City of Pasadena IT Office Set-up	\$275,000		\$275,000
Database Acquisition Budget ⁴	\$400,000		\$400,000
Total	\$675,000	\$1,281,667	\$1,906,667



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- (1) The City of Pasadena Finance Department provided this estimate of the administrative overhead rate, which is based partially on the Rent Stabilization Board's full FTE count and total annual budget.
- (2) The City of Pasadena's DoIT provided this estimate. Included in the ongoing IT services are the following: 24/7 support for all computing devices, telephones, email, network and web connectivity, software licensing and applications, project management, and equipment replacement.
- (3) The Rent Stabilization Department's O&M is estimated based on municipalities with similar FTE levels. It includes funding for office supplies, outreach, interpretation and translation, subscriptions, and other contracted outside services.
- (4) Database includes the rental registry. The cost is estimated based on rental registry startup costs of municipalities that recently created a rental registry.

One-Time Technology Costs

The City's DoIT staff estimated the initial IT office set-up costs based on the full outfitting of an empty office without City network infrastructure (assuming the location involves new or upgraded cabling, wiring and jacks, City Network connection, Wi-Fi), enhanced conference room technology to support virtual meeting experience, additional office equipment, and building security in terms of door access controls and security cameras.

The one-time cost of database acquisition is based on conversations with the City's DoIT staff on their capacity to create databases in-house for the Rent Stabilization Department, particularly for its rent registry. Pasadena IT Staff indicated that such databases are not in their wheelhouse of expertise and would be more costly to create internally rather than contract with an outside vendor. The \$400,000 cost estimate assumes an RFP process to have competitive bids from software vendors for the creation of a rent registry database, a hearings database, and an evictions database.

Office Space

The Rent Stabilization Department will need its own office space for its staff and to accommodate visits and meetings with tenants, landlords, and other stakeholders. Assuming an allowance of 150 square feet for each of the 22.5 FTEs and an allowance for a lobby/waiting area, a public counter, and two large conference rooms, this report recommends roughly 6,000 square feet of office space.

City staff advised that monthly rents for unfurnished office space in Pasadena cost approximately \$3.00 per square foot/ for a total annual cost of \$216,000. This report recommends including an additional one-time expense of \$15/square foot (\$90,000) to equip and furnish the office space. City staff have identified several office spaces close to Pasadena City Hall that have connections to the City's fiber optic network that the Rental Board can select for the new agency (see Attachment B for details). **Table 12** shows the costs below:



Table 12: One-time and Ongoing Costs of Office Space

Type of Cost	One-time/Ongoing	Cost
Annual rent for office	Ongoing	\$216,000
Furnishing new office	One-time	\$90,000
Total		\$306,000

Rental Board Compensation

Under Section 1811(j) of the Charter Amendment, each Rental Board member may be compensated for a maximum of twenty hours per week at an hourly rate equal to 2.5 times the Pasadena minimum wage. The 2023 minimum wage in Pasadena is \$16.93, and therefore the hourly rate for Board members would be \$42.33. For the first six months, Board members worked on average 3.77 hours each week. For the purposes of accurate budget projections, this report anticipates that Board members will work approximately five hours per week during the remaining fiscal year to meet the needs of the Department. Some Board members may work more or fewer hours depending on need, and the five hours per week average does not limit individual Board members from working additional hours if needed. As such, the base compensation for this report’s cost analysis is calculated for thirteen Board members working a total of 65 hours per week (\$2,751.45). The annual base compensation is approximately \$143,075 for this first year. According to the Pasadena Human Resources Department, once costs for the City’s portion of Medicare contributions are added, the total cost for the 13-member Board is approximately \$145,150 for this first year. **Table 13** below shows the Board’s cost:

Table 13: Rental Board Compensation Cost

Fiscal Year	One-time/Ongoing Cost	Pasadena Minimum Wage	Board Hourly Rate ¹	Estimated Hours Served	Base Amount	Fringe Benefits (if applicable) ²	Total Cost
FY 23-24	Ongoing	\$16.93	\$42.33	3,380	\$143,075	\$2,075	\$145,150

(1) The Charter Amendment states Rental Board’s hourly rate will be 2.5 the City’s minimum wage.

(2) These estimates were provided from the Pasadena Human Resources Department and are in part calculated on the number of hours the Rental Board is serving.



Total Estimated Program Costs

Based on the above cost analysis for personnel, Rental Board compensation, office space, technology and administrative support, and initial start-up costs, this report estimates the cost of implementing the Rent Stabilization Department would be about \$6,679,056 in the first year and about \$5,914,056 the second year, as shown in **Table 14** below.

Table 14: Estimated Program Costs for Rent Stabilization Department

Program Components	One-Time Costs	Ongoing Annual Costs	Total
Personnel ¹		\$ 4,321,239	\$ 4,321,239
O&M		\$ 400,000	\$ 400,000
Administrative overhead ²		\$ 332,167	\$ 332,167
Contracted legal services		\$ 250,000	\$ 250,000
IT annual support		\$ 249,500	\$ 249,500
Office space rental		\$ 216,000	\$ 216,000
Rental Board compensation ³		\$ 145,150	\$ 145,150
Office space furnishings	\$ 90,000		\$ 90,000
IT startup support	\$ 675,000 ⁴		\$ 675,000
Total	\$ 765,000	\$ 5,914,056	\$ 6,679,056

(1) Personnel costs for a 22.5-member staff includes additional DoIT staff (0.5 FTE).

(2) This estimate was provided by the Pasadena Finance Department.

(3) Rental Housing Board compensation includes five hours per week for 13 Board members, plus the City's Medicare contribution.

(4) This number includes the City's DoIT office IT setup and the budget for acquiring a database from software vendors.



IV. RENTAL HOUSING FEE

Section 1811(l) of the Charter Amendment specifies that the Rental Housing Board will finance its program expenses by charging an annual Rental Housing Fee to landlords. Per the Charter Amendment, landlords are not allowed to pass on the fees to tenants.

To offset the \$6,679,056 in estimated program costs, the Rental Housing Fee in Pasadena would be approximately \$213 per unit, as shown in **Table 15**.

Table 15: Rental Housing Fee Required to Offset Program Costs

Total Costs	Total Number of Rental Units Affected by the Amendment	Rental Housing Fee Per Unit
\$ 6,679,056	31,316	\$ 213

V. COMPARISON TO OTHER MUNICIPALITIES

The total ongoing annual cost for Pasadena’s rent stabilization program is comparable to other jurisdictions that also have an active enforcement model. See **Table 16** below for comparison:

Table 16: Comparison Cities with Rent Stabilization Programs

	Pasadena	Berkeley	Oakland	Santa Monica	West Hollywood
Year Rent Stabilization Program Established	2022	1978	1983	1979	1985
Population	135,732	123,065	433,823	92,408	34,886
Number of Rent-stabilized Units	24,852	19,607	76,000	26,620	15,838
Number of Units Subject to "Just Cause" Only	6,464	24,306	19,000	N/A	N/A
Total Units	31,316	43,913	95,000	26,620	15,838
Total Ongoing Budget	\$5,914,056	\$7,506,460	\$8,269,014	\$5,976,033	\$3,734,698
Number of FTEs	22.5	27.0	28.0	24.0	12.0
Rental Housing Fee	\$213	\$290/\$178	\$101	\$228	\$144



VI. CONCLUSION

The stated purpose of Pasadena's Fair and Equitable Housing Charter Amendment is to promote neighborhood and community stability by regulating rent increases and preventing arbitrary evictions.

The Charter Amendment's rent regulations would limit the year-to-year increases in rents and the eviction regulations would prohibit evictions except in specified circumstances. A Rental Board would be appointed by the City Council to oversee the Charter Amendment's various provisions. The Rental Board will need a dedicated new Rent Stabilization department to support it in its oversight.

This report estimates the new Rent Stabilization Department will cost \$6,679,056 million to implement during the first year and require hiring 22.5 FTE employees. The program would be paid for through annual fees charged to landlords for each rental unit. These fees can not be passed on to tenants. The annual fee amount would be approximately \$213 per unit. The rental fee will need to be adjusted each year depending on the operating budget the Rental Board approves for the Rent Stabilization Department.

To support the expedient setup of this new agency, this report recommends prioritizing hiring the following positions as soon as possible:

- The Department Director
- 2.0 FTE Housing Counselor
- 1.0 FTE Senior Business System Analyst
- 0.5 FTE Senior IT Support Specialist

Two of these positions require the City of Pasadena creating new job descriptions. This report provides job descriptions in Attachment A for reference and for use.



ATTACHMENT A: JOB DESCRIPTIONS FOR NEW JOB CLASSIFICATIONS

Department Director

Job Description

Under policy direction of the Pasadena Rental Housing Board, the Department Director plans, organizes, and directs the activities of the Rent Stabilization Department and performs related work as assigned. The Department Director is responsible for overall planning, administration and operation of a variety of functions prescribed by the Pasadena Fair and Equitable Housing Charter Amendment (Charter Article XVIII) and supporting regulations. The purpose of the Rent Stabilization Department is to regulate residential rent increases and to protect tenants from unwarranted rent increases and arbitrary, discriminatory, or retaliatory evictions. This position is distinguished from other department management positions in that the responsibilities relate specifically to the administration of the Rent Stabilization Department.

Example of Duties

The following list of duties is intended only to describe the various types of work that may be performed and the level of technical complexity of the assignment(s) and is not intended to be an all-inclusive list of duties.

- Develops and directs the implementation of goals, objectives, policies and procedures for the Rent Stabilization Department; administers the Department, including planning, organization, financial management and public relations.
- Selects, supervises, reviews and evaluates subordinate staff; provides for their training and professional development; may discipline staff as required.
- Coordinates the establishment and maintenance of an automated database of residential rental property for the billing and collection of delinquent accounts.
- Consults with legal services staff regarding the enforcement of the Fair and Equitable Housing Charter Amendment (Charter Article XVIII)
- Prepares and administers the annual budget for the Rent Stabilization Department; prepares and submits to the Board reports of program progress, finances and administrative activities.
- Maintains effective working relationships with Board members, tenants, property owners, public officials and City staff.
- Reviews the procedures of the administrative hearings and legal units to ensure a fair and unbiased administrative hearings process.
- Represents the Board before legislative bodies and at public functions.
- Maintains records and prepares reports and correspondence as required.
- Performs related duties as assigned.



Knowledge and Abilities

Knowledge of:

- Principles and practices of program management, including development, planning, monitoring, evaluation, and administration.
- Principles and practices of administrative management, including goals and objectives development, work planning, budgeting and effective employee supervision including selection, training, work evaluation and discipline.
- Applicable local, state and federal laws, ordinances and regulations.
- Budgetary and control principles and practices.

Skill in:

- Planning, organizing, assigning, directing, reviewing and evaluating the work of assigned staff.
- Training staff in work procedures and providing for their professional development.
- Administering and managing a variety of program elements.
- Providing professional assistance and staff leadership to the Rental Housing Board.
- Using sound independent judgment and responding sensitively to community issues and concerns.
- Communicating effectively with residents, tenants, landlords, groups and boards and commissions.
- Preparing clear and concise reports and other written correspondence.

Minimum Qualifications

Equivalent to graduation from a four-year college or university with major coursework in public or business administration, law, urban planning or a closely related field and at least eight (8) years of administrative or supervisory experience which has included program planning and development and supervision of a professional and support staff. Experience in the housing field is desirable. Progressively responsible related experience may be substituted for the college coursework on a year-for-year basis.



Housing Counselor

Job Description

Housing counselors provide free information to tenants, landlords, realtors, and other parties about their rights and responsibilities as they relate to the Pasadena Fair and Equitable Housing Charter Amendment (Charter Article XVIII). Counseling is non-advocacy/non-directive, meaning counselors do not take sides in disputes, argue a resident's case, or tell residents what choices to make. Instead, counselors provide information and options to empower residents to make their own choices. Counselors cannot provide legal advice but can make referrals to community-based organizations as needed. Housing counselors can also help parties navigate Rent Board processes for requesting mediations, filing petitions, and accessing other city department services.

Example Of Duties

The following list of duties is intended only to describe the various types of work that may be performed and the level of technical complexity of the assignment(s) and is not intended to be an all-inclusive list of duties.

- Provides holistic housing counseling to the public which includes responding to telephone inquiries, and emails, and engaging in other public information activities as directed;
- Works closely with and provides technical assistance, directly or through subordinate staff, to the Rent Board and community and neighborhood-based committees and groups;
- Compiles and analyzes data; prepares written and oral reports for the Rent Board and other senior staff on a variety of development policies and programs;
- Works with the program supervisor, other City departments and public agencies, boards and commissions, and the private sector in developing a comprehensive and integrated approach to the administration of the local rent stabilization laws and regulations;
- Works with various community groups and membership organizations to encourage an interest in program goals and projects;
- Organizes special community education programs, workshops, conferences, meetings, and speaker's bureaus; advises departmental personnel on the use of educational materials and techniques and the use of community resources;
- Represents the Rent Board at meetings and in contacts with other agencies, commissions, business and community groups, and members of the public;
- Provides technical assistance to others on Measure H and related regulations; may supervise support staff on a project or regular basis;
- Performs related duties as assigned.

Knowledge And Abilities

Knowledge of:

- Federal, state, and local housing policy or specific knowledge of landlord-tenant law.
- Methods of data collection, monitoring, and program evaluation;
- Basic leadership and training principles;



-
- Basic supervisory principles and practices, with knowledge of conflict resolution and mediation preferred but not required.

Skill in:

- Providing community outreach, program assistance to, and direction for community and City programs;
- Assessing community needs, interpreting relevant laws and regulations, and identifying appropriate resources for assistance and referrals;
- Coordinating programs with other community agencies and services;
- Collecting, evaluating, and interpreting varied information and data and developing sound conclusions;
- Conducting educational programs and workshops;
- Understanding a variety of population groups as they relate to the provision of services and community organizing efforts;
- Working with a diverse community, and providing strong verbal and written communication.

Minimum Qualifications

A Typical Way Of Gaining The Knowledge And Skills Outlined Above Is:

Equivalent to graduation from a four-year college or university with major coursework in sociology or a related field and two (2) years of professional-level experience in community organization, program monitoring and evaluation, or the development and delivery of community service programs. Progressively responsible related experience may be substituted for the college coursework on a year-for-year basis.



ATTACHMENT B: POTENTIAL OFFICE SPACES FOR RENT STABILIZATION DEPARTMENT

RE: RE: Preliminary budget numbers for Pasadena
Rent Control program

Takahashi, Rebecca <rtakahashi@cityofpasadena.net>

10/31/2023 - 7:51 am

To: ecat@bhyvconsulting.com

Cc: chaneel@bhyvconsulting.com, admin@bhyvconsulting.com, agnes@bhyvconsulting.com

1 attachment (4.1 MB)



150 S. Los Robles....pdf

Hi Ecat,

Some updates:

- Finance anticipates receiving the CAP information either today or tomorrow.
- The Real Estate Manager actually found some tangible options if the board was ready to move today. The best scenario he identified is office space at the building where our Water & Power department is located (150 S Los Robles)

On our City fiber network loop and walking distance to City Hall

they have about 7K SF on each of the 7th, 8th & 9th floors.

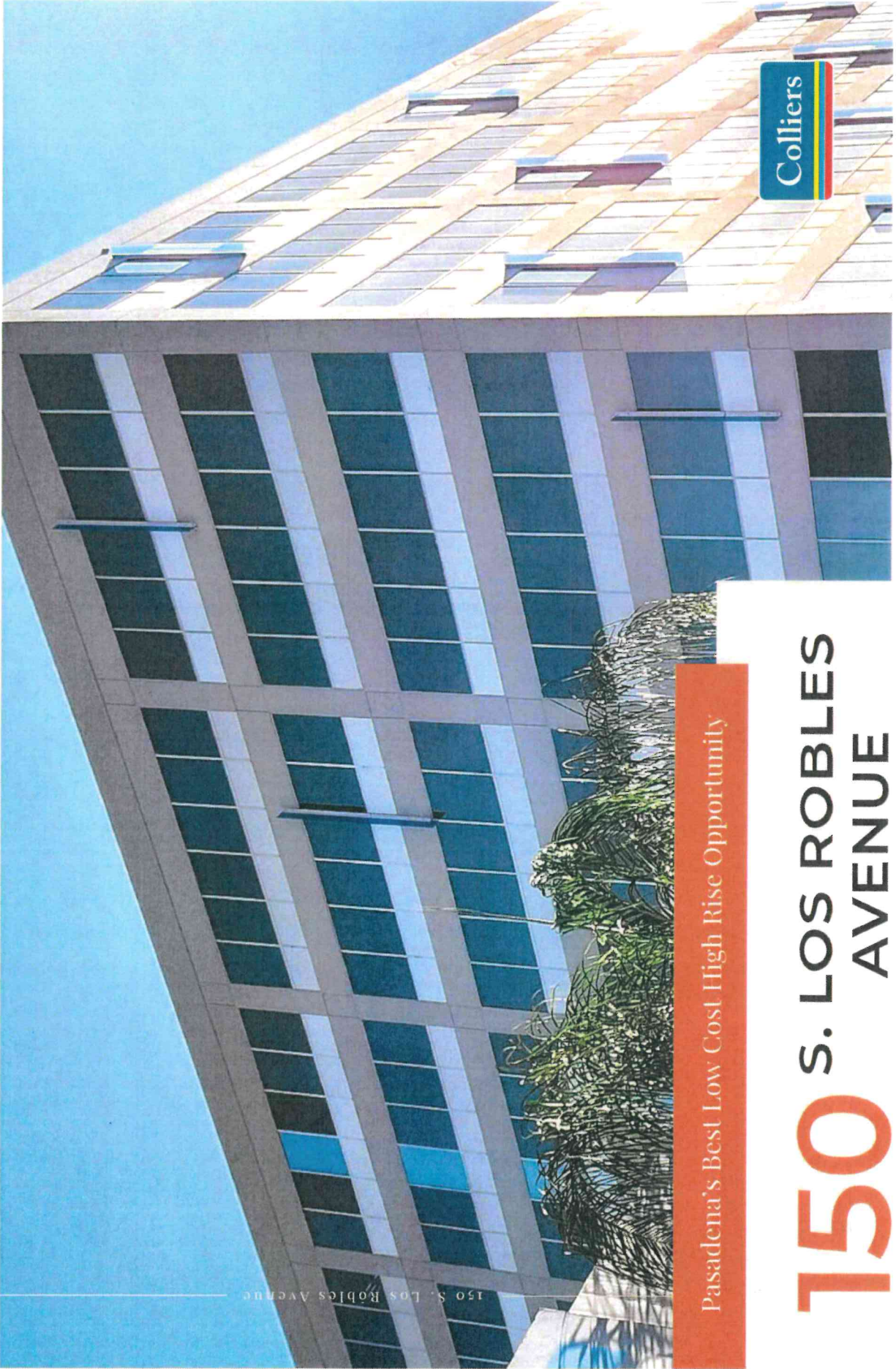
The cost of the lease would be around \$3.00/SF/month. The offices could be ready very soon as they are already built out with need of minor tenant improvements, if the layout works.

- In addition, the building at 199 S. Los Robles is also on our City fiber network loop. They have 7K SF on a couple of floors at \$3.25/SF/month

Please let me know if this will suffice for your projections, or if I need to do any additional follow-up.

I am also going to reach out to Tiffany today to confirm if there if additional fringe beyond Medicare for the board members to account for.

-Rebecca



Pasadena's Best Low Cost High Rise Opportunity

150 S. LOS ROBLES AVENUE

150 S. Los Robles Avenue



CLASS A OFFICE TOWER

Professionally owned with best in-class on-site property management

Walkable amenities, restaurants, and retail





WHY 150 S. LOS ROBLES ? AVENUE



Asking Rate:
\$3.15/RSF (Full Service)



Parking: 3/1000
Monthly Parking Rates:
○ Reserved \$160
○ Unreserved \$115
○ Tandem Space \$130



Sensible Class A Office Space within walking distance to The Paseo, Old Pasadena, and South Lake Avenue



Offering various-sized suites with updated finishes



New Fitness Center to be delivered Q423



Newly remodeled lobby with on-site security and property management



Adjacent to the Pasadena Hilton which offers its restaurant, bar/lounge, and shuttle service to Hollywood Burbank Airport & LAX to the office tenants

WHAT'S AVAILABLE?

Suites	RSF	Availability	Asking Rate
100	4,095	Vacant	\$3.15 FSG
450	2,184	Vacant	\$3.15 FSG
480*	3,851	Vacant	\$3.15 FSG
500	17,488	Vacant	\$3.15 FSG
600	3,203	Vacant	\$3.15 FSG
650*	2,344	Vacant	\$3.15 FSG
665*	2,138	Vacant	\$3.15 FSG
675	2,474	Vacant	\$3.15 FSG
700*	5,204	Vacant	\$3.15 FSG
710*	2,500	Vacant	\$3.15 FSG
760*	3,418	Vacant	\$3.15 FSG
830*	3,148	Vacant	\$3.15 FSG
880*	3,997	Vacant	\$3.15 FSG
900*	2,532	Vacant	\$3.15 FSG
950*	2,421	Vacant	\$3.15 FSG
970*	2,034	Vacant	\$3.15 FSG

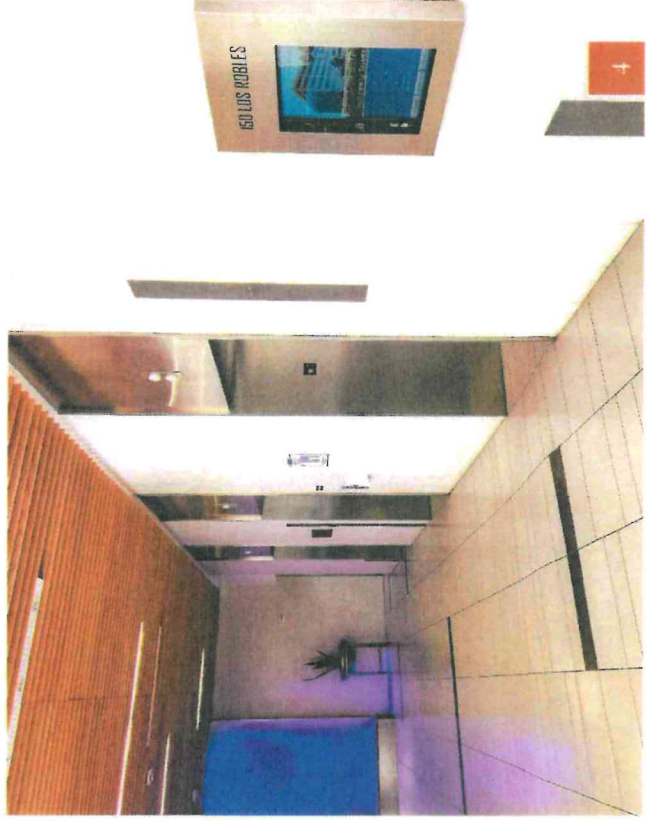
Full Floor

*Contiguous for 4,482 RSF

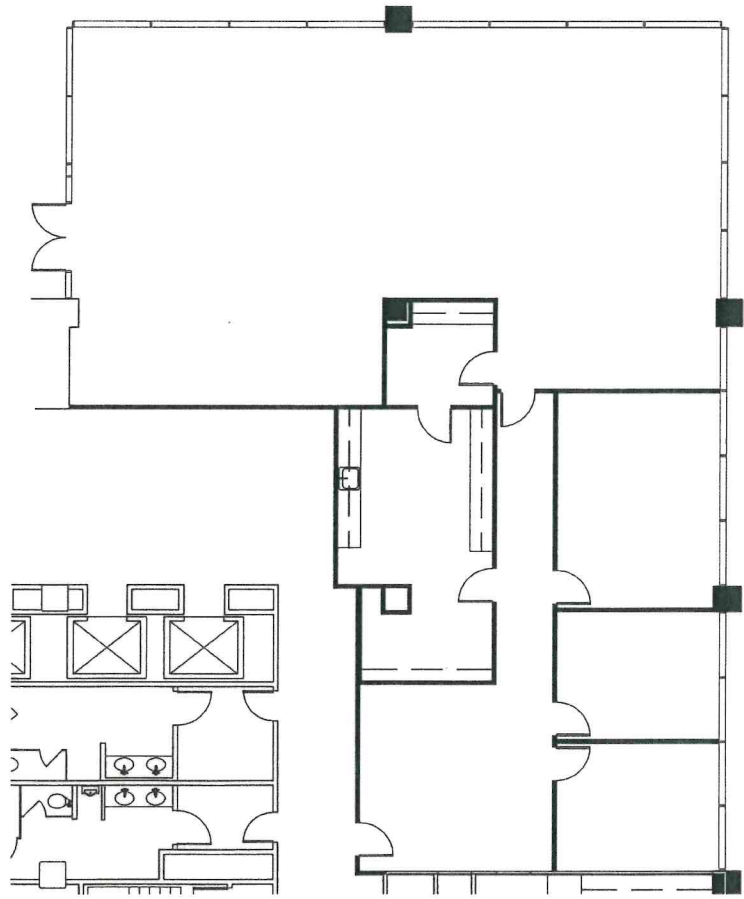
*Contiguous for 11,122 RSF

*Contiguous for 7,145 RSF

*Contiguous for 6,987 RSF



1ST FLOOR PLAN



Available Suite
Suite 100
4,095 RSF

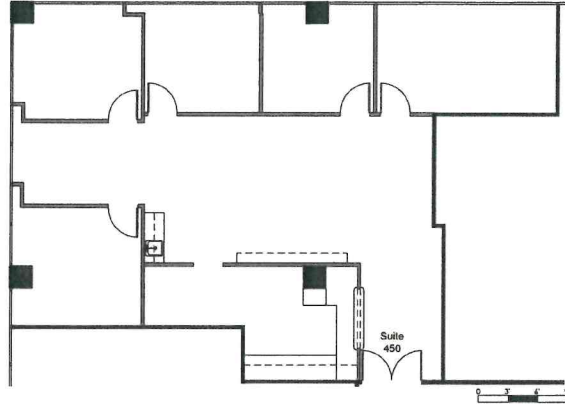
4TH FLOOR PLAN

Available Suites

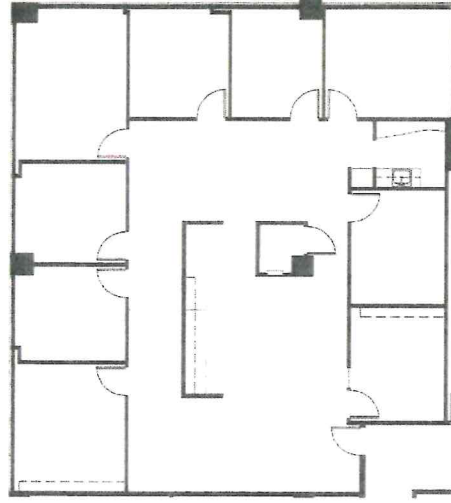
Suite 450 - 2,184 RSF

Suite 480 - 3,851 RSF

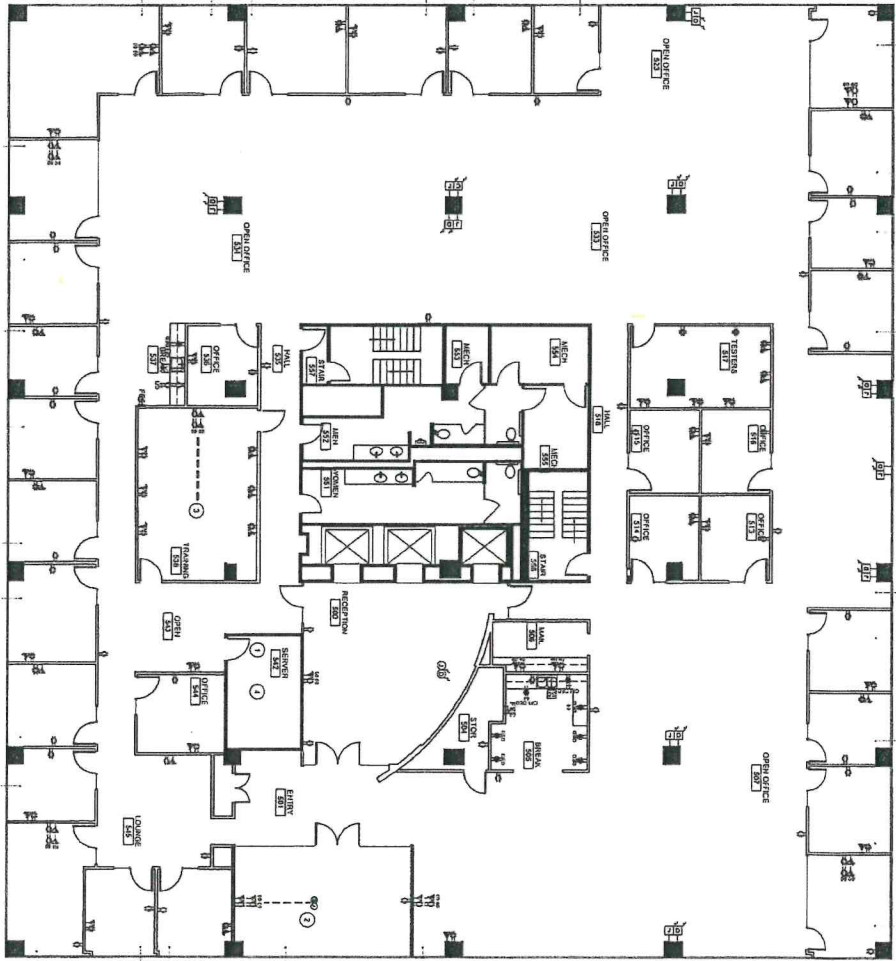
Suite 450



Suite 480

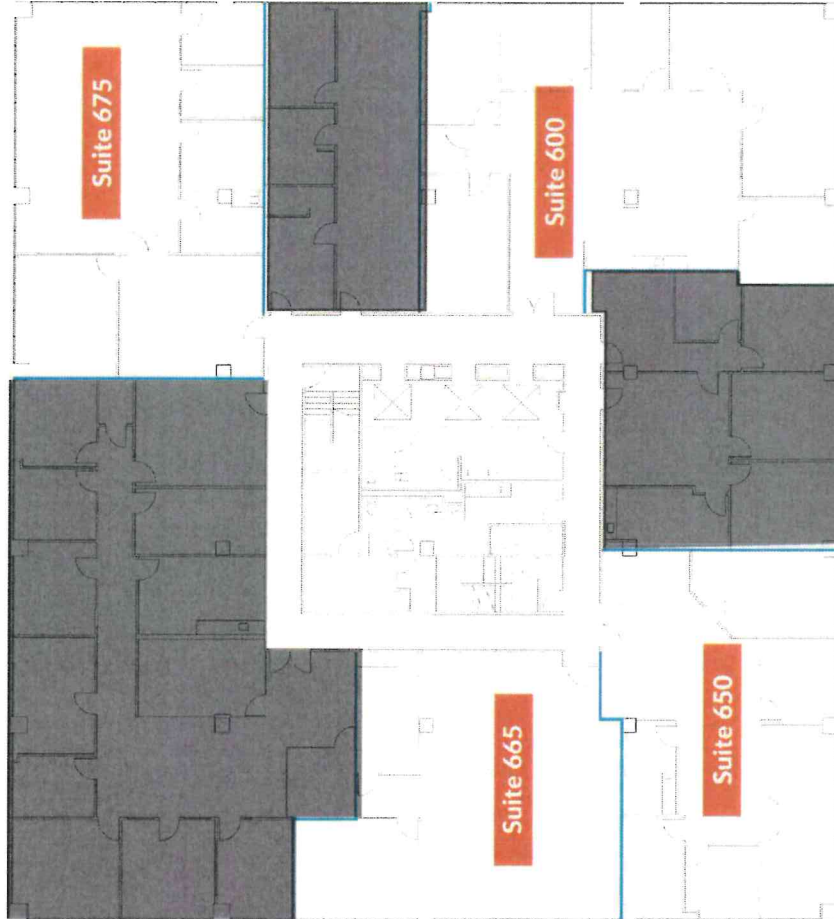


5TH FLOOR PLAN



Available Suite
Suite 500
17,488 RSF

6TH FLOOR PLAN



Available Suites

Suite 600 - 3,203 RSF

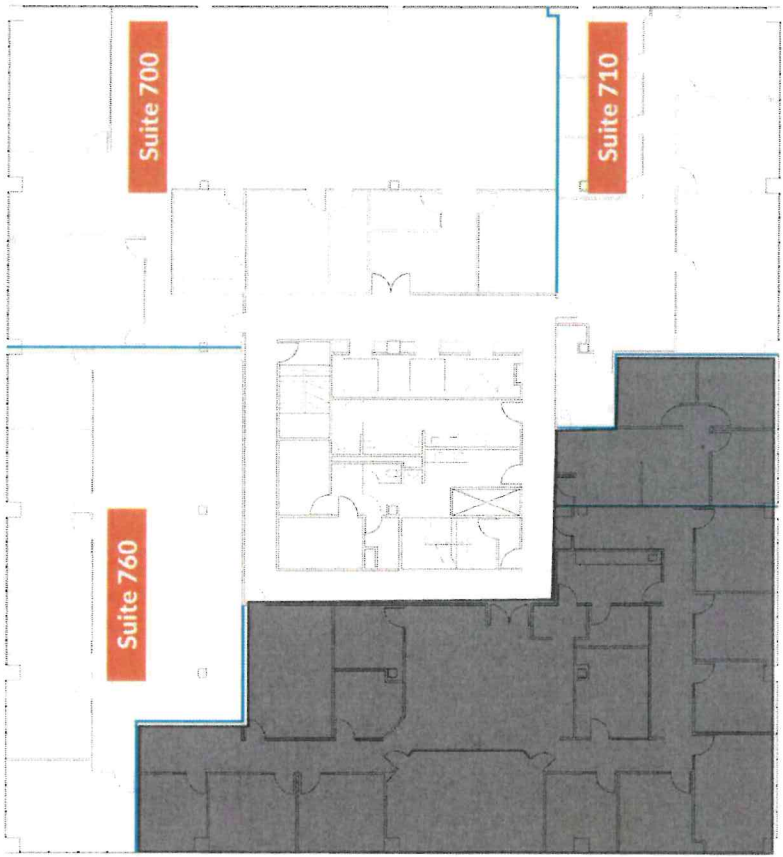
Suite 650 - 2,344 RSF*

Suite 665 - 2,138 RSF*

Suite 675 - 2,474 RSF

*Contig: 4,482 RSF

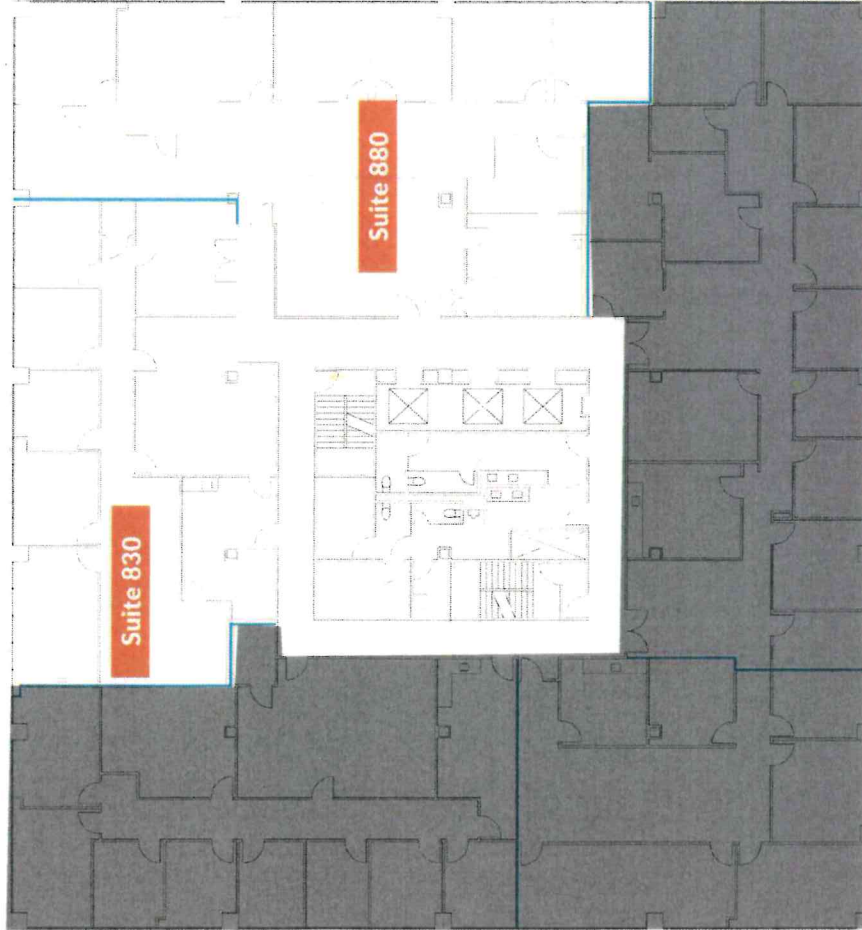
7TH FLOOR PLAN



Available Suites

- Suite 700 - 5,204 RSF*
 - Suite 710 - 2,500 RSF*
 - Suite 760 - 3,418 RSF*
- *Config: 11,122 RSF

8TH FLOOR PLAN



Available Suites

Suite 830 - 3,148 RSF*

Suite 880 - 3,997 RSF*

*Config: 7,145 RSF

9TH FLOOR PLAN

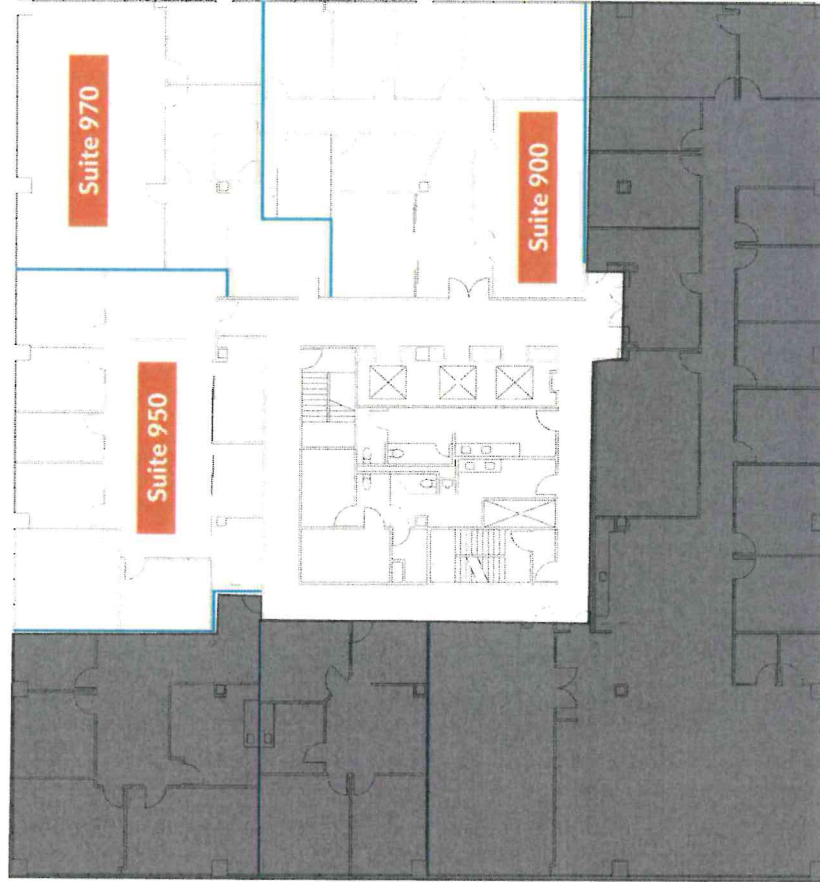
Available Suites

Suite 900 - 2,532 RSF*

Suite 950 - 2,421 RSF*

Suite 970 - 2,034 RSF*

*Contig: 6,987 RSF



150 S. LOS ROBLES AVENUE

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