

Agenda Report

July 22, 2024

TO: Honorable Mayor and City Council

FROM: Rent Stabilization Department

SUBJECT: **ADOPTION OF RESOLUTIONS TO SUBMIT A CHARTER AMENDMENT BALLOT MEASURE TO VOTERS AT THE NOVEMBER 5, 2024, GENERAL MUNICIPAL ELECTION RELATED TO AMENDMENTS TO THE PASADENA FAIR AND EQUITABLE HOUSING CHARTER AMENDMENT, AS PRESCRIBED IN ARTICLE XVIII, OF THE PASADENA CITY CHARTER**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to California Environmental Quality Act (CEQA) as defined in Section 21065 and Section 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required;
2. Adopt a resolution of the City Council of the City of Pasadena calling a General Municipal Election to be held in the City of Pasadena, consolidated with the Statewide General Election held on Tuesday, November 5, 2024, for the purpose of submitting a ballot measure to amend the Pasadena City Charter related to the Pasadena Fair and Equitable Housing Charter Amendment, as prescribed in Article XVIII, of the Pasadena City Charter;
3. Adopt a resolution of the City Council of the City of Pasadena setting priorities for the filing of written arguments pertaining to the ballot measure; and directing the City Attorney to prepare an impartial analysis of the measure; and
4. Adopt a resolution of the City Council of the City of Pasadena providing for the filing of rebuttal arguments for the measure.

BACKGROUND:

On November 8, 2022, the voters of the City of Pasadena (the "City") voted to adopt the Pasadena Fair & Equitable Housing Charter Amendment (Article XVIII), which amended the City's Charter to impose rent control and just cause eviction protections. The City

Council adopted a resolution certifying the results of the November 8, 2022, election on December 12, 2022, and the Charter Amendment was thereafter filed with the California Secretary of State and took effect on December 22, 2022.

Earlier this year, the City Council began discussing potential measures to put on the ballot for the November 5, 2024, General Election that would amend and revise certain provisions of the City Charter. At its April 24, 2024, meeting, the Pasadena Rental Housing Board (“Board”) formally decided to consider recommendations for minor changes to Article XVIII, and thereafter, adopted a resolution establishing a purpose and procedures to facilitate and guide the review and recommendation process for proposing City Charter changes.

In accordance with the schedule established in the Board’s resolution, the Policy & Programs Ad Hoc Committee (the “Committee”) received and reviewed all suggested amendments from Board Members and members of the public to amend the City Charter. The Committee compiled its recommendations into a report for review by the full Board. At its May 8, 2024, meeting, the Board reviewed the initial draft of the report from the Committee summarizing the Committee’s recommendations for changes to Article XVIII. The Board received significant public comment on the item, largely in support of the recommendations made by the Committee. The remaining members of the Board not on the Committee provided feedback.

In accordance with the feedback received from the Board and arising from further discussions with relevant City departments (including the Department of Housing and the City Attorney’s Office), the Committee revised its report. At its May 22, 2024, meeting, the Board adopted resolutions to recommend to the City Council six (6) amendments to Article XVIII for placement on the ballot for the November election.

These Board recommended Charter changes aim to achieve several goals: replacing court-stricken language with clearer wording, addressing ambiguities in the language that cannot be resolved through Board regulations, ensuring alignment with practices in other City departments, and streamlining operations to potentially reduce administrative burdens, financial costs, or legal liabilities for both the Board and the Department.

On June 17, 2024, the Interim Director (“Director”) of the Rent Stabilization Department (“Department”), along with the Board’s legal counsel (collectively referred to herein as “Staff”) appeared at the City Council’s regular meeting. The Director presented the Board’s six (6) proposed amendments to Article XVIII as well as three (3) additional proposed amendments by Staff. The City Council unanimously voted to approve the Board’s recommendations and staff’s recommendations with a minor amendment to the below referenced recommendation #6 to require a two-thirds vote of the Board requirement to remove a Board member.

On July 8, 2024, the newly appointed Rent Stabilization Department Director, along with the Board’s legal counsel, submitted an additional recommendation of the Board to amend Section 1817(g) and (h), pursuant to review by a recommendation of the

Pasadena Housing Providers (PHP), to the City Council. The Council approved the recommendation to amend Sections 1817(g) and (h) for inclusion on the November 5, 2024, ballot.

The City Council approved the Board's recommendations and directed staff to prepare the necessary ballot question, amendments to the City Charter text in Article XVIII, and resolutions to place the proposed Charter Amendment measure on the November 5, 2024, General Municipal Election ballot.

The following is a summary of these amendments to Article XVIII for inclusion on the November ballot:

1. Revise Section 1812 by removing the language in subsection (b) regarding the deadline for implementation for the rental registry and by replacing the annual April 1st registration deadline in subsection (c);
2. Revise Section 1806(a)(10) to comply with the requirements of the Ellis Act regarding adoption of Ellis Act regulations, minimum of 120 days' notice and the definitions for "senior" and "Disabled;"
3. Revise Section 1806(b) to provide an alternate timeline for the disbursement of relocation assistance payments to Tenants who are only entitled to a 30-day written termination notice under state law;
4. Revise Section 1806(f)(1) to provide that the Board will announce the security deposit interest rate on November 1, rather than October 1, each year;
5. Add paragraph (3) to subsection (b) of Section 1804 to provide a partial exemption (from the rent stabilization provisions of Article XVIII) to Rental Units that are occupied by government subsidized tenants;
6. Revise Section 1811(d) to create an alternate process by which the Board may initiate, and the City Council may approve, a petition to remove a member of the Board for repeated or significant violations of the Board's Code of Conduct by a two-thirds vote of the Board;
7. Revise Section 1808(a)(3) to change the date of the first annual general adjustment announcement from September 1, 2022, to no later than 90 days after the Board's first regular meeting;
8. Correct the reference in Section 1811(m) to the location of the City Attorney's duties from "Article II, Chapter 2.30 of the Pasadena City Charter" to "Article II, Chapter 2.30, Section 2.30.020 of the Pasadena Municipal Code;"

9. Revise Section 1811(d) to include language authorizing the City Council to adopt an ordinance outlining the procedures for processing a voter-initiated petition for removal of a Board member; and,
10. Revise Sections 1817(g) and (h) to clarify ambiguity in Article XVIII that cannot be resolved via regulation and to bring the requirements of Article XVIII into alignment with the existing practices of the City Attorney’s (and City Prosecutor’s) Office and reduce legal liability.

Exhibit A represents all City Charter, Article XVIII, amendments listed in numerical order by section.

Proposed Ballot Measure Question

Shall amendments to Pasadena City Charter, Article XVIII, to: align senior and disabled definitions, and eviction rules with state law; exempt certain government-subsidized housing from rent control; adjust relocation assistance timelines for certain evictions; establish processes for Board Member removal due to misconduct and for voter-initiated petitions; clarify penalties for violations; update various dates and deadlines; and make other minor corrections, be adopted?	YES	
	NO	

Adoption of Resolutions

By adopting the proposed resolution, the City Council’s action will: (1) formally add the proposed ballot measure to the existing City of Pasadena General Municipal Election to be held and consolidated with the statewide General Election on November 5, 2024; (2) provide for the filing of written arguments for the measure, and direct the City Attorney to prepare an impartial analysis of the measure; and, (3) authorize the filing of rebuttal arguments, if so desired by the City Council.

ENVIRONMENTAL ANALYSIS:

The action proposed herein has been determined to be exempt from the California Environmental Quality Act (CEQA), as it is not a project subject to CEQA, as defined in Section 21065 and Section 15378 of the State CEQA Guidelines, and as such, no environmental document pursuant to CEQA is required.

FISCAL IMPACT:


There is no direct fiscal impact resulting from the proposed changes to the City Charter; however, there will be additional costs associated with placing this Charter Amendment measure on the November 5, 2024, General Election ballot. According to estimates provided by Los Angeles County's webpage calculator, placing a measure on the November ballot is approximately \$80,000 for each measure. The City Clerk's adopted Fiscal Year 2025 Election Budget is \$550,000, so any number that exceeds six total measures on the ballot may require additional budget allocation to cover the anticipated election costs.

Respectfully submitted,


HELEN MORALES
Rent Stabilization Director


MARK JOMSKY
City Clerk

Approved by:


MIGUEL MARQUEZ
City Manager

Resolutions and Attachments:

Calling and Consolidating Election (Exhibit A contains the detailed Charter Amendment changes to Article XVIII, in the City Charter)

Setting Priorities for Filing Arguments; City Attorney Impartial Analysis

Allowing for the Filing of Rebuttal Arguments

Exhibit A – Amendments to Article XVIII of the City Charter