

**PASADENA
RENTAL HOUSING BOARD
RESOLUTION NO. RHB-2024-07**

A RESOLUTION OF THE PASADENA RENTAL HOUSING BOARD ESTABLISHING A PURPOSE AND PROCEDURES FOR REVIEWING AND RECOMMENDING AMENDMENTS TO THE PASADENA FAIR AND EQUITABLE HOUSING CHARTER AMENDMENT (ARTICLE XVIII)

WHEREAS, the Pasadena Fair and Equitable Charter Amendment (“Charter Amendment”) went into effect on December 22, 2022, and the Rental Housing Board (“Board”) was appointed on April 19, 2023; and

WHEREAS, the Charter Amendment was reformed by the Los Angeles Superior Court to address provisions that were preempted by state law in the decision issued in *California Apartment Association, et al. vs City of Pasadena, et al* (Los Angeles Superior Court Case No. 22STCP04376); and

WHEREAS, the reformed provisions need additional technical amendments to address the Court’s decision and conform the Charter Amendment to State Law; and

WHEREAS, the purpose of the Charter Amendment is to promote neighborhood and community stability, healthy housing, and affordability for renters in Pasadena by regulating arbitrary evictions to the maximum extent permitted under California law; and

WHEREAS, the Rental Housing Board (“Board”) and the Rent Stabilization Department have, while implementing the Charter Amendment, been made aware of areas of the Charter Amendment that would benefit from further clarification or minor revision in furtherance of the purpose of the Charter Amendment;

WHEREAS, the City of Pasadena (“City”) is preparing certain technical amendments to the Pasadena City Charter to be submitted to the voters at the November 5, 2024 General Municipal Election; and

WHEREAS, the Board’s goal is to make recommendations to the City Council regarding minor amendments to the Article XVIII of the City Charter to be included on the ballot for the November 5, 2024 General Municipal Election;

WHEREAS, the Board endeavors to create a purpose and procedures to guide its review of suggest amendments to the Charter Amendment and to inform its ultimate recommendations to the City Council;

WHEREAS, the Board held a publicly noticed meeting on April 10, 2024, and discussed and solicited public feedback on proposed purpose and procedures for reviewing and recommending amendments to the Charter Amendment;

NOW, THEREFORE, BE IT RESOLVED by the Pasadena Rental Housing Board that purpose and procedures set forth in Exhibit A are hereby adopted.

The foregoing Resolution was regularly introduced and adopted at a Regular Meeting of the Rental Housing Board of the City of Pasadena, duly held on 10th day of April 2024, by the following vote:

AYES: Board Member Dunlop, Gonzalez, Henry, Najera, Pitts, Chavez, Siegel, Santiago, Torres, Vice Chair Lamar, Chair Bell

NOES: None

ABSENT: None

ATTEST:



DESIRÉE ACOSTA
RECORDING BOARD SECRETARY



RYAN J. BELL
CHAIR, RENTAL HOUSING BOARD

Exhibits): A. Purpose and Procedures for Potential Amendments to Pasadena Fair and Equitable Housing Charter Amendment

EXHIBIT A

PASADENA RENTAL HOUSING BOARD

Purpose and Procedures for Potential Amendments to Pasadena Fair and Equitable Housing Charter Amendment (Article XVIII)

BACKGROUND

On November 8, 2022, the voters of the City of Pasadena (the “City”) voted to adopt the Pasadena Fair and Equitable Housing Charter Amendment (“Charter Amendment”), which amended the City’s Charter to impose rent control and just cause eviction protections on most residential rental units in the city. The Pasadena City Council (“City Council”) adopted a resolution certifying the results of the election on December 12, 2022, and the Charter Amendment thereafter took effect on December 22, 2022.

Shortly before the Charter Amendment went into effect, the California Apartment Association (“CAA”) filed suit challenging the Charter Amendment. On March 28, 2023, a Los Angeles Superior Court judge rejected most of the CAA’s claims. However, the judge determined that some of the notice provisions in the Charter Amendment directly conflicted with and were preempted by state law. Among the invalidated provisions was the 180-day notice requirement in Charter Amendment Section 1806(a)(10).

On April 19, 2023, the City Council appointed members to serve on the Pasadena Rental Housing Board (“Board”) to administer Charter Amendment. The Board is the charter-created governmental body within the City that is generally responsible for the enforcement and implementation of the Charter Amendment. (Charter Amendment § 1811.) Since its appointment, the Board has promulgated regulations for the administration and enforcement of the Charter Amendment, has provided trainings and resources about landlords’ and tenants’ rights and obligations under the Charter Amendment, has facilitated the establishment of the Rent Stabilization Department (“Department”) within the City to support the Board’s work, and has otherwise endeavored to implement the provisions of the Charter Amendment.

Through their implementation, the Board and the Department have been made aware of areas of the Charter Amendment that would benefit from further clarification or minor revision. They have also heard requests for more substantive policy changes to the Charter Amendment. Since the City Council is currently in the process of developing a measure to put on the November 2024 ballot that would amend and revise certain other provisions of the City Charter (unrelated to Article XVIII), the Board has decided to consider recommendations for minor changes to the Charter Amendment that could be added to the City Council’s measure.

This document establishes the purpose that will guide the Board and the procedures that the Board will follow in considering recommendations for changes to the Charter Amendment.

PURPOSE AND CRITERIA

The Board's goal in considering amendments to the Charter Amendment is not to enact sweeping changes to or overhaul the Charter Amendment scheme, but rather to further the existing purpose of the Charter Amendment itself. Charter Amendment Section 1801 provides:

“The purpose of this Amendment is to promote neighborhood and community stability, healthy housing, and affordability for renters in Pasadena by regulating excessive rent increases and arbitrary evictions to the maximum extent permitted under California law, while ensuring Landlords a fair return on their investment and guaranteeing fair protections for renters, homeowners, and businesses.”

In reviewing suggested changes for inclusion on the 2024 ballot measure, the Board, particularly the Policy & Programs Ad Hoc Committee which will be tasked with the responsibility of reviewing suggested amendments and ultimately developing proposed language for any suggested amendments, shall determine whether:

- The suggested amendment seeks to replace language that was stricken as invalid by the court decision.
- The suggested amendment seeks to clarify an area of ambiguity in the Charter Amendment that cannot be resolved via regulation.
- The suggested amendment seeks to bring the requirements of the Charter Amendment into alignment with the existing practices of other City departments and/or the practical operations of the rental housing market.
- The suggested amendment would reduce any of the following: (a) administrative burden; (b) financial costs; or (c) legal liability of the either or both the Board and/or the Department.

In addition, the Board shall consider whether the suggested amendment's utility is undermined by any of the following anticipated impacts:

- The suggested amendment would likely make the Charter Amendment more difficult to enforce and/or implement.
- The suggested amendment would have the effect of undermining, eliminating or fundamentally altering one or more material provisions of the Charter Amendment.
- The suggested amendment would make it more difficult for the Board or the Department to regulate excessive rent increases and/or arbitrary evictions.

- The suggested amendment would likely make it more difficult for the Board or the Department to ensure Landlord's a fair rate of return on their rental property.
- The suggested amendment would increase any of the following: (a) administrative burden; (b) financial costs; or (c) legal liability of the either or both the Board and/or the Department.

PROCEDURES

The Board proposes to follow the procedure outlined below to determine which suggested amendments to the Charter Amendment it will recommend to the City Council for placement on the November 2024 ballot:

STEP 1: The Board will continue to collect suggested amendments from the public and Board members through **APRIL 12, 2024**.

STEP 2: The Policy Ad Hoc Committee will review all suggested amendments and indicate (1) the type of amendment and (2) the committee's recommendation. The types of amendments will fall into one of two categories:

(a) Cleanup. Minor amendments that clarify or align existing provisions of the Charter Amendment.

(b) Substantive. These are amendments that require a policy decision to be made by the Board.

The Policy Ad Hoc Committee will compile its recommendations into a report to be presented to the full Board for consideration at a regularly scheduled meeting. The Policy Ad Hoc Committee's report shall disclose every suggested amendment received and shall provide an explanation of the Committee's reasoning for the suggested amendments that the Committee recommends including on the ballot measure.

In addition, Department Staff, Board consultants and the Policy Ad Hoc Committee will draft proposed ballot language for each amendment that the Policy Ad Hoc Committee is recommending for inclusion on the ballot measure.

TARGET DATE FOR COMPLETION: APRIL 23, 2024

STEP 3: The full Board will review the report, receive public comment on the report, and provide feedback.

TARGET MEETING: MAY 8, 2024

STEP 4: The full Board will vote on the recommendations in the Policy Ad Hoc Committee's report and the proposed ballot language.

TARGET MEETING: MAY 22, 2024

STEP 5: The Board's recommendations will be presented to the City Council for consideration for inclusion on the ballot measure. *[The City Council's Task Force on Charter Amendment is planned to present its recommendations at the June 3, 2024 City Council Meeting.]*

TARGET CITY COUNCIL MEETING: JUNE 3, 2024

STEP 6: The Board's recommendations will be voted on by City Council for consideration for inclusion on the ballot measure.

TARGET CITY COUNCIL MEETING: JUNE 17, 2024