

Introduced by: _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA ADOPTING THE TENANT PROTECTIONS OF THE ELLIS ACT, GOVERNMENT CODE SECTION 7060 ET SEQ.

The People of the City of Pasadena ordain as follows:

SECTION 1. This ordinance, due to its length and corresponding cost of publication, will be published by title and summary as permitted in Section 508 of the Pasadena City Charter. The approved summary of this ordinance is as follows:

“Summary

This proposed ordinance adopts the tenant protections contained in Government Code Section 7060 et seq. known as the Ellis Act. The proposed tenant protections would regulate withdrawal of residential rental units subject to rent stabilization under Article XVIII of the Pasadena City Charter, the Pasadena Fair and Equitable Housing Charter Amendment, from the rental market, and mitigate the effects of such withdrawal.

Ordinance No. _____ shall take effect upon publication.”

SECTION 2. Pasadena Municipal Code, Title 9, is amended to read as follows:

“Article XII. – Withdrawal of Accommodations from the Rental Market

Chapter 9.97 - Ellis Act Tenant Protections

Section 9.97.01 - Applicability. Pursuant to Government Code section 7060 et seq. (the "Ellis Act"), a public entity cannot compel owners of residential real property within its jurisdiction to remain in the rental market, but if the public entity has a system of rent stabilization in its jurisdiction, it may regulate the withdrawal from the rental market of residential rental units which are subject to rent stabilization at the time of withdrawal. Accordingly, owners of residential real property located in the City of Pasadena seeking to withdraw residential rental units which are subject to the rent stabilization provisions of the Pasadena Fair and Equitable Housing Charter Amendment (“Article XVIII”) from the rental market must comply with this Chapter.

Section 9.97.02 - Definitions. For the purposes of this Chapter, the following definitions apply:

- A. "Accommodations" means either of the following:
 - 1. The residential rental units in any detached physical structure containing four or more residential rental units; or
 - 2. With respect to a detached physical structure containing three or fewer residential rental units, the residential rental units in that structure and in any other structure located on the same parcel of land, including any detached physical structure specified in Subparagraph (A)(1) above.
- B. "County Recorder" refers to the Los Angeles County Registrar-Recorder.
- C. "Disabled" means a person with a disability, as defined in Section 12955.3 of the Government Code.
- D. "Landlord" has the meaning in Article XVIII, Section 1803(m).
- E. "Rent Stabilization" means the system of rules governing residential rental rates established under Sections 1807, 1808, 1809, 1813, and 1814 of Article XVIII, and all related regulations issued by the Board, including all amendments thereto, except that the aforementioned rent stabilization provisions of Article XVIII and their related regulations do not apply to the residential rental units identified in Section 1804(b) of Article XVIII.
- F. "Property" has the meaning in Article XVIII, Section 1803(p).
- G. "Tenant" means any renter, tenant, subtenant, lessee, or sublessee of a residential rental unit, or any group of tenants, subtenants, lessees, or sublessees of any residential rental unit, or any other person entitled to the use or occupancy of such residential rental unit, and includes a former tenant displaced by the withdrawal of accommodations from rent or lease.
- H. "Withdrawal" means the termination of tenancy or eviction of all tenants from all residential rental units on a particular property through compliance with the requirements of this Chapter. Such withdrawal results in a removal of residential rental units from the housing market under the terms and conditions set forth in this Chapter, and as such is a limited form of removal

by means other than conversion or demolition. To the extent that owners of withdrawn units desire to convert such units to other uses, including but not limited to condominiums, community apartments, stock cooperatives, other forms of owner-occupancy, or other change in use, or to permanently remove them from the rental housing market by demolition, or otherwise remove them by means other than withdrawal, such owners must obtain all required permits and approvals from the City in addition to complying with the provisions of this Chapter prior to withdrawal.

Section 9.97.03 - Withdrawal of Accommodations from the Rental Market.

Withdrawal of accommodations that are subject to the rent stabilization provisions of Article XVIII at the time of withdrawal must comply with the requirements of this Chapter.

Section 9.97.04 - Tenant Protections.

If a landlord withdraws accommodations from the rental market pursuant to this Chapter and returns those accommodations to the rental market within the timeframes below, it shall be presumed that the landlord did not truly intend to exit the rental market and no longer act as a rental housing provider as claimed in the notices terminating the affected tenancies, and therefore did not exercise the right to withdraw from the rental market in good faith. Such action displaces tenants unnecessarily, potentially under false pretenses, and shall be subject to the penalties in this Chapter.

Section 9.97.05 - Notice Requirements

- A. A landlord who intends to withdraw accommodations from rent or lease shall provide the following notices.
 - 1. Not less than 120 days prior to the date upon which the accommodations are to be withdrawn, the landlord shall notify the Pasadena Rental Housing Board ("Board") of the intention to withdraw those accommodations from rent or lease. The notice shall be on a form provided by the Rent Stabilization Department, and shall contain statements, under penalty of perjury, providing information on:
 - a. the number of accommodations on the property, as defined by Section 9.97.02, all of which must be withdrawn,

- b. the address or location of those accommodations,
- c. the name(s) of the tenant(s) of the accommodations, and
- d. the rental rate applicable to each rental unit, including the date of the last rent increase.

The information contained in the notice required by this Section respecting the name(s) of the tenant(s), the rent applicable to any unit, or the total number of units, is confidential and shall be treated as confidential information for the purposes of the Information Practices Act of 1977, as contained in Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code. The Board shall, to the extent required by the preceding sentence, be considered an "agency" as defined by subdivision (b) of Section 1798.3 of the Civil Code.

2. At the time notice is given to the Board pursuant to Paragraph (A)(1), the landlord shall provide written notice to any tenant to be displaced stating
 - a. that the Board has been notified of the intent to withdraw the accommodations pursuant to Paragraph (A)(1),
 - b. that the notice specified the name of the tenant, and the amount of rent paid by the tenant as an occupant of the accommodations,
 - c. the amount of rent the landlord specified in the notice to the Board,
 - d. the tenant's rights to regain possession and to damages, in the event the accommodations are again offered for rent or lease as provided in this Chapter, and
 - e. the right to an extension for certain tenants as provided in Subsection E of this Section.

A copy of the notice shall be filed with the Board with proof of service upon each tenant.

3. No less than 120 days prior to the date upon which the accommodations are to be withdrawn, unless a tenant qualifies for a longer period, and in compliance with Section 1806(a)(10) of Article XVIII, the landlord shall provide written notice to each tenant on the property of the landlord's intent to withdraw the accommodations. Said notice shall contain a statement that the

accommodations are withdrawn, that all of the accommodations on the parcel are being withdrawn, the date upon which the accommodations are to be withdrawn, that the landlord has paid all fees due the City or the Board, and a statement that all tenants are entitled to relocation assistance, along with any other notice requirements under Article XVIII. The notice shall be served on each tenant by either personal service or certified mail, return receipt requested. The notice shall advise the tenant of the tenant's rights to regain possession of the premises and to damages as set forth in this Chapter. A copy of this notice shall be filed with the Board. The notice shall be on a form provided by the Rent Stabilization Department. A notice stating the landlord's intent to withdraw the accommodation from rent or lease shall not be valid unless the tenants of all of the units on the property are also served with notice that each of their units is to be withdrawn from rent or lease.

- B. At the time the notice specified in Paragraph (A)(1) is filed with the Board, the landlord shall sign and notarize a memorandum of the notice required by Paragraph (A)(1) summarizing its provisions, other than the confidential provisions, on a form provided by the Rent Stabilization Department. The landlord shall record with the County Recorder the aforementioned memorandum and file a copy with the Rent Stabilization Department.
- C. At the time the notice specified in Paragraph (A)(1) is filed with the Board, the landlord shall also file a certificate with the Board, on a form provided by the Rent Stabilization Department, confirming that actions have been initiated as required by this Chapter and other applicable laws to terminate any existing tenancies.
- D. If a landlord has satisfied the requirements of Subsections A, B, and C, the date upon which the accommodations are withdrawn from rent or lease for the purposes of this Chapter is 120 days from the delivery in person or by first-class mail of the notice specified in Paragraph (A)(1) to the Board, unless the tenant is eligible for an extension as provided in Subsection E.
- E. If the affected tenant is at least 62 years of age or disabled, and has lived in the accommodations for at least one year prior to the date of delivery to the Board of the notice of intent to withdraw pursuant to Paragraph (A)(1), then the date of

withdrawal of the accommodations of that tenant shall be extended to one year after the date of delivery of that notice to the public entity, provided that the tenant gives written notice of their entitlement to an extension to the landlord within 60 days of the date of delivery to the Board of the notice of intent to withdraw. In that situation, the following provisions shall apply:

1. The tenancy shall be continued on the same terms and conditions as existed on the date of delivery to the Board of the notice of intent to withdraw, subject to any Annual General Adjustments otherwise available under Article XVIII.
2. No party shall be relieved of the duty to perform any obligation under the lease or rental agreement.
3. The landlord may elect to extend the tenancy of any other rental unit within the accommodations up to one year after date of delivery to the Board of the notice of intent to withdraw, subject to Paragraphs (E)(1) and (E)(2).
4. Within 30 days of the notification by the tenant to the landlord of their entitlement to an extension, the landlord shall give written notice to the Board of the claim that the tenant is entitled to stay in the accommodations for one year after date of delivery to the Board of the notice of intent to withdraw.
5. Within 90 days of date of delivery to the Board of the notice of intent to withdraw, the landlord shall give written notice of the landlord's election to extend a tenancy under Paragraph (E)(3) and the revised date of withdrawal to the Board and any tenant whose tenancy is extended.
6. The date of withdrawal for the accommodations as a whole, for purposes of calculating the time periods described in Section 9.97.06, shall be the latest termination date among all tenants within the accommodations, as stated in the notices required by Paragraphs (E)(4) and (E)(5). A landlord's further voluntary extension of a tenancy beyond the date stated in the notices required by Paragraphs (E)(4) and (E)(5) shall not extend the date of withdrawal.

- F. For the purposes of this Chapter, regarding delivery to the Board, it shall be sufficient to deliver notices and other required documents to the Rent Stabilization Department.

Section 9.97.06 - Accommodations Returned to the Rental Market.

Accommodations withdrawn from the rental market which were subject to rent stabilization at the time of withdrawal are subject to this Section.

A. Vacancy Control.

1. For tenancies which commenced during either (1) the five-year period after withdrawal of the accommodations, or (2) the five-year period after the notice of intent to withdraw the accommodations was filed with the Board, whether or not the notice of intent was rescinded or the withdrawal of the accommodations was completed pursuant to the notice of intent, the accommodations shall be offered and rented or leased at the lawful rent in effect at the time any notice of intent to withdraw the accommodations was filed with the Board, plus any Annual General Adjustments, as defined in Article XVIII, which were available between the filing of the notice of intent and the return to the rental market.
2. This Subsection A applies to all tenants, including tenants who rented the accommodations before withdrawal, as well as any new tenants.
3. This Subsection A shall prevail over any conflicting provision of law authorizing the landlord to establish the rental rate upon the initial hiring of the accommodations.

B. Accommodations Returned within Two Years After Withdrawal.

1. If the accommodations are offered again for rent or lease for residential purposes within two years of the date that the accommodations were withdrawn from rent or lease, the following provisions shall apply:
 - a. The landlord shall be liable to any tenant who was displaced by the withdrawal for actual and exemplary damages. Any action by a tenant pursuant to this subparagraph shall be brought within three years of the date of withdrawal of the

- accommodations. However, nothing in this subparagraph precludes a tenant from pursuing any alternative remedy available under the law.
- b. The City or the Board may institute a civil proceeding against any landlord who has again offered accommodations for rent subject to this Paragraph B(1), for exemplary damages for displacement of tenants. Any action by the City or the Board pursuant to this Paragraph B(1) shall be brought within three years of the withdrawal.
 - c. Any landlord who offers accommodations again for rent shall first offer the unit for rent to the tenant displaced from that unit by the withdrawal, if the tenant has advised the landlord in writing within 30 days of the displacement of the tenant's desire to consider an offer to renew the tenancy and has furnished the landlord with an address to which that offer is to be directed. That tenant or a former tenant may advise the landlord at any time during the eligibility period of a change of address to which an offer under this Subparagraph is to be directed.
 - d. At the time the tenant is notified of the landlords intent to again offer the accommodations for rent pursuant to Subparagraph (c), the landlord shall also notify the Board of the landlord's intent to again offer the accommodations for rent on a form provided by the Rent Stabilization Department.
2. If the landlord again offers the accommodations for rent, and the tenant has advised the landlord pursuant to this Section of a desire to consider an offer to renew the tenancy, then the landlord shall offer to reinstitute a rental agreement or lease on terms permitted by law to that displaced tenant. This offer shall be deposited in the United States mail, by registered or certified mail with postage prepaid, addressed to the displaced tenant at the address furnished to the landlord as provided in this Subsection B, and shall describe the terms of the offer.

The displaced tenant shall have 30 days from the deposit of the offer in the mail to accept the offer by personal delivery of that acceptance or by deposit of the acceptance in the United States mail by registered or certified mail with postage prepaid.

C. Accommodations Returned within Ten Years After Withdrawal.

1. A landlord who offers accommodations again for rent within a period not exceeding 10 years from the date of withdrawal, and which are subject to this Section, shall first offer the rental unit to the tenant displaced from that unit by the withdrawal, if that tenant requests the offer in writing within 30 days after the landlord has notified the Board of an intention to offer the accommodations again for residential rent pursuant Section 9.97.06(B)(2). The landlord shall be liable to any tenant who was displaced by that action for failure to comply with this Subsection C, for punitive damages in an amount which does not exceed the contract rent for six months, and the payment of which shall not be construed to extinguish the landlord's obligation to comply with this Section 9.97.06.
2. If a displaced tenant accepts an offer to rent the accommodations made by a landlord pursuant to this Subsection C, and if either of the five-year periods in Subsection A applies, then the rental rate shall be subject to Subsection A.

D. If accommodations withdrawn under this Chapter are demolished, and new accommodations are constructed on the same property, and offered for rent within five years of the date the accommodations were withdrawn from rent, the newly constructed accommodations shall be subject to Article XVIII, notwithstanding any exemption from Article XVIII or state law for newly constructed accommodations.

E. The Section 9.97.06 enacted shall apply to all tenancies created after December 31, 2002.

Section 9.97.07 - Recording Notice of Continued Applicability of Article

XVIII.

Within 20 days of receipt of a notice issued by a landlord pursuant to Section 9.97.05(A)(1) of this Chapter, the Board shall cause to be recorded with the County Recorder a notice which shall recite the fact that the Board has determined to apply the constraints of this Chapter adopted pursuant to Government Code section 7060.2 to successors in interest to the subject property. The notice shall specifically describe the real property where the accommodations are located, the date upon which the landlord will withdraw the accommodations from rent and the dates during which the constraints of this Chapter shall apply. If the date upon which the accommodations are to be withdrawn is subsequently altered or modified, the Board may record an amended notice. The filing of the notice described in this Section 9.97.07 shall not be construed as a finding by the Board that the actual or proposed withdrawal of the accommodations has been approved by the Board. The notice shall be indexed in the grantor-grantee index.

A person who acquires title to the real property subsequent to the date upon which the accommodations thereon have been withdrawn from rent, as a bona fide purchaser for value, shall not be a successor in interest for the purposes of this Chapter if the notice prescribed by this Section 9.97.07 has not been recorded with the County Recorder at least one day before the transfer of title. For the purposes of this Section, recording of notices by the Board may be carried out by the Rent Stabilization Department.

Section 9.97.08 - Defense to Eviction. If a landlord seeks to displace a tenant from accommodations withdrawn from rent pursuant to this Chapter by an unlawful detainer proceeding, the tenant may appear and answer or demur pursuant to Section 1170 of the Code of Civil Procedure and may assert by way of defense that the landlord has not complied with the applicable provisions of this Chapter.

Section 9.97.09 - Must Withdraw All Accommodations.

A landlord may not withdraw from rent or lease less than all of the accommodations, as defined in Section 9.97.02 of this Chapter.

Section 9.97.10 - Waiver Void. Any waiver of rights under this Chapter shall be void as contrary to public policy.

Section 9.97.11 - Severability. The City Council hereby declares that, should any section, subsection paragraph, sentence, phrase, term or word of this Chapter, hereby adopted, be declared for any reason to be unconstitutional or invalid, it is the intent of the City Council that it would have adopted all other portions of this Chapter irrespective of any such portion declared invalid.

SECTION 3. The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published by title and summary.

SECTION 4. This ordinance shall take effect upon publication.

Signed and approved this _____ day of _____, 2025.

Jessica Rivas
Vice Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its meeting held this _____ day of _____ 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Date Published:

Mark Jomsky
City Clerk

Approved as to form:



Michele Beal Bagnaris
City Attorney