



Agenda Report

November 4, 2019

TO: Honorable Mayor and City Council
FROM: Housing Department
**SUBJECT: CONDUCT FIRST READING OF ORDINANCE ADOPTING THE
TENANT PROTECTION ACT OF 2019**

RECOMMENDATION:

It is recommended that the City Council:

- 1) Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines per Section 15061 (b) (3), the General Rule that CEQA only applies to projects that may have an effect on the environment; and
- 2) Conduct first reading of an ordinance adopting the Tenant Protection Act of 2019.

BACKGROUND:

This Agenda Report is being brought forward at the request of a consensus Councilmembers after receiving public comment at the regular meeting of October 28, 2019. Prior to and at that meeting, the City was made aware of a surge of eviction notices without a stated reason in an attempt to evict tenants and implement rent increases for new tenants that would not be possible after January 1, 2020 effective date of the Tenant Protection Act of 2019, also known as Assembly Bill 1482 ("AB 1482"). Signed by the Governor on October 8, 2019, AB 1482 was passed to prevent rent gouging and arbitrary evictions involving multifamily rental units older than 15 years, with some exemptions. AB 1482 was not adopted as an urgency measure, so it did not go into effect when signed by the Governor. Rather, AB 1482 goes into effect on January 1, 2020.

The rent provisions of AB 1482 cap the amount of yearly rent increases at five percent (5%) plus the percentage change in the cost of living or ten percent (10%), whichever is lower. Also, if the owner had raised the rent after March 15, 2019, the law rolls the rent back to its level on March 15, 2019, plus the allowable percentage increase. Also, under AB 1482, owners are no longer able to evict a tenant who has resided in the unit for 12 months or longer, without stating a "just cause" reason for the eviction. Just

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cause reasons for eviction fall into two categories: "at-fault just cause" and "no-fault just cause". An at-fault eviction includes non-payment of rent or other breach of the lease. A no-fault eviction includes removal of the unit from the rental market and owner complying with a government order which necessitates vacating the rental unit. For a no-fault just cause eviction, the owner must pay to the tenant a relocation fee equal to one (1) month's rent (regardless of the tenant's income) or waive the last month's rent. Please see Attachment "A" for the text of AB 1482.

In Pasadena, as in other high housing cost cities in California, rapidly escalating market rents provide an incentive to landlords to evict long-term, lower-income tenants, without cause, in order to raise rents and attract higher income tenants, before AB 1482 becomes effective. The City is experiencing a housing affordability crisis which contributes to homelessness and displacement of residents to an unprecedented scale.

Staff proposes the Council adopt AB 1482, early, in Pasadena, to protect renters from evictions without just cause through the end of December 2019, in advance of AB 1482's effective date of January 1, 2020. Should the City Council decide to adopt the Ordinance, it can conduct first reading of the Ordinance at its regular meeting of November 4, 2019. A special meeting of the City Council has been noticed for 12:01 am on November 5, 2019 for the purpose of conducting a second reading and adoption of the Ordinance. Second reading and adoption of the ordinance on November 5, the day after the ordinance's introduction, would comply with Section 505 of the Charter, which provides that ordinances may not be adopted on the same date as their introduction. The Ordinance will become effective upon its publication by the City Clerk, which is expected to occur on or about November 7, 2019.

The ordinance has been drafted to apply prospectively to tenants who received a 60-day termination notice without cause on or after October 8, 2019, when the Governor signed AB 1482, and where the tenant remains in possession and/or any eviction lawsuit has not reached conclusion. The ordinance would be a measure that tenants could use to defend against an unlawful detainer action, in defending against applicable no-cause evictions. Ultimately, however, the applicability of the City's ordinance may be determined by a court. The ordinance has been drafted to also impose the limitations on rent increases of AB 1482, but we would note that the text of AB 1482 itself already places certain limitations on 2019 rent increases, as mentioned above.

One particular purpose of this accelerated approach to ordinance adoption is to implement protections for residents facing no-cause evictions as quickly as possible.

KEY PROVISIONS OF THE ORDINANCE

The key provisions of the proposed ordinance are as follows:

- 1) The ordinance adopts the provisions of AB 1482, the Tenant Protection Act of 2019, in full, and shall apply to "residential real property" or "residential circumstances" (as those terms are defined in AB 1482) within the City of Pasadena, subject to certain exceptions set forth in the Ordinance.

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- 2) This ordinance would not be read in any way to adversely affect and/or abrogate the rights of tenants under Chapter 9.75 of the Pasadena Municipal Code (Tenant Protection).
- 3) As applied to notices of termination, the ordinance would apply to tenancies where an owner has issued a notice of termination of tenancy on or after October 8, 2019 where a tenant remains in possession and/or any eviction lawsuit has not concluded.
- 4) The ordinance would remain in effect until January 1, 2020 at which time AB 1482 would become effective.

COUNCIL CONSIDERATION

This proposed action supports the City Council Strategic Planning Three-Year Goals in the areas of promoting the quality of life and the local economy.

ENVIRONMENTAL ANALYSIS

The action proposed herein is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "General Rule" provision of CEQA which applies to projects which may have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The approval of the proposed provisions of an ordinance to temporarily prohibit evictions without just cause will not have a significant effect on the environment and, hence, is not subject to CEQA.

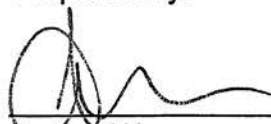
FISCAL IMPACT

Approval of the staff recommendations will have no direct fiscal impact on the City's General Fund.

Respectfully submitted,


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