

IMPARTIAL ANALYSIS OF MEASURE H BY PASADENA CITY ATTORNEY

This measure (“Measure”) was placed on the ballot by a petition with the requisite number of signatures. If approved by voters, this Measure would add Article 18 to the Pasadena City Charter, creating an appointed rental-housing board (“Board”), regulating rent increases for covered rental units, and specifying conditions under which landlords could terminate tenancies.

Current Law

Rents and evictions in the City of Pasadena are regulated by State law, which provides annual limits on rent increases at 5% plus the Consumer Price Index (“CPI”) increase (10% maximum increase), requires landlords to have “just cause” to evict tenants, and requires relocation payments in certain circumstances. Multifamily housing built in the past 15 years, and most single family residences and condominiums, are exempt from rent caps and just-cause provisions.

The City of Pasadena’s Tenant Protection Ordinance requires that landlords of multifamily rental properties pay relocation assistance to displaced tenants under certain circumstances.

This Measure

The Measure’s main components are:

- Establishing an appointed independent Board, with no oversight by the City Council, City Manager, or City Attorney.
 - The Board would determine rent adjustments; conduct investigations; adjudicate petitions; and, establish regulations, landlord fees and penalties for noncompliance with the Measure.
- Limits on subsequent rent increases.
 - Landlords may set tenants’ rent at move-in.
 - Landlords cannot increase rents for covered units more than allowed by “Annual General Adjustments,” set at 75% of the CPI percentage increase.
 - Landlords may petition the Board for a higher increase to ensure a “Fair Return.”
 - Tenants may seek rent reductions due to inadequate housing services/maintenance.
- Eviction protections.
 - Landlords can only terminate tenancies for just-cause conditions, such as nonpayment of rent, breach of lease, creating a nuisance and eight other conditions.
 - Landlords must provide relocation assistance for four conditions, such as owner move-in and making necessary and substantial repairs.
- Exemptions.
 - The entire Measure does not apply to specified uses, which include, among others, care facilities, and subsidized housing.
 - The rent-increase caps do not apply to multifamily rental units built after February 1, 1995, and most single-family homes and condominiums; however, the eviction protections do apply.

The Board, tenants, and/or landlords may file civil suits for damages or injunctions to enforce any regulations or decisions of the Board. Violations may also be misdemeanors.

An objective analysis of the Measure estimates startup costs of \$310,000, and annual estimated costs of \$5,453,460, based on approximately 26 employees needed to support the Board's activities.

If the Measure is approved, the City of Pasadena initially would need to advance funds to implement the Measure. Thereafter, the Board would finance its ongoing expenses by charging landlords an Annual Rental Housing Fee.

The Measure may raise potential legal issues. If passed, and a legal challenge succeeds, the courts could void some or all of the Measure's provisions.

This Measure requires approval by a majority of votes.

A "yes" vote would establish an appointed rental-housing board, regulate rent increases on covered rental units and specify conditions under which landlords could terminate tenancies.

A "no" vote would maintain the status quo.

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City Attorney

THE ABOVE STATEMENT IS AN IMPARTIAL ANALYSIS OF MEASURE H. IF YOU DESIRE A COPY OF THE MEASURE, PLEASE CALL THE CITY CLERK'S OFFICE AT (626) 744-4124 AND A COPY WILL BE MAILED AT NO COST TO YOU, OR YOU MAY FIND THE MEASURE AND INFORMATION RELATED TO THE MEASURE ON THE CITY OF PASADENA WEBSITE AT www.CityofPasadena.net/Elections