

PASADENA RENTAL BOARD

Agenda Item No. 6: Rental Housing Relocation and Ellis Act

AGENDA ITEM NO. 6: PURPOSE

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Provide the Rental Board with information on the Ellis Act and Relocation Assistance issues in the Pasadena Fair and Equitable Housing Charter Amendment in preparation for adoption of the first Annual General Adjustment.

PURPOSE OF CHARTER AMENDMENT

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“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.” (Section 1801.)

EVICITION PROTECTIONS

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- Charter Amendment limits causes for evictions to
 - ▣ 7 tenant default causes – nonpayment, violation of lease, nuisance, etc.
 - ▣ 4 no-fault causes
- Eviction Protections apply to some rental units that are exempt from rent stabilization including:
 - ▣ Rental units constructed after February 1, 1995
 - ▣ Rental units governed by the City’s Inclusionary Housing Ordinance and Density Bonus Ordinance

RELOCATION ASSISTANCE- CHARTER AMENDMENT

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- Section 1806(b)
 - ▣ Tenants are entitled to relocation assistance if tenancies are terminated for no-fault causes
 - Necessary and Substantial Repairs
 - Owner Move-ins
 - Withdrawal of the Rental Unit from the Market [“Ellis Act” evictions]
 - Government order regarding Regulates “excessive rent increases” via rent stabilization

RELOCATION ASSISTANCE- CHARTER AMENDMENT

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- Section 1806(b)(C)
 - ▣ Tenants who are displaced due to inability to pay a rent increase in excess of 5% plus the most recent AGA are also eligible for Relocation Assistance
 - ▣ RHB may reduce this threshold if it finds that doing so is necessary to further the purposes of the Charter Amendment
 - ▣ Applies to units that are not subject to the Rent Stabilization provisions of the Charter Amendment but are covered by the Eviction Protections
 - i.e., Partially Covered Units

RELOCATION ASSISTANCE- CHARTER AMENDMENT

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- Landlord terminating a tenancy for a no-fault eviction is required to pay a minimum of 50% of the Relocation Assistance within 10 days of serving a notice of termination
- Remaining portion of assistance is required to be either paid into an escrow account or directly to the tenant no later than 28 days prior to expiration of notice of termination

RELOCATION ASSISTANCE- CHARTER AMENDMENT

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- Rental Housing Board is to issue rules and regulations regarding Relocation Assistance including establishing the amount of Relocation Assistance and the timely payment of the Relocation Assistance

CITY TENANT PROTECTION ORDINANCE

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- Requires Landlords to provide relocation assistance to tenants if tenant is displaced because of:
 - ▣ Demolition of the Unit
 - ▣ Withdrawal of the Unit from the rental market
 - ▣ Owner Move in
 - ▣ Government Order
 - ▣ Change of ownership if within 18 months of change of ownership tenancy is terminated or rent is increased by more than 5% plus the CPI

CITY TENANT PROTECTION ORDINANCE

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□ Relocation Assistance Amount:

- ▣ 2.5 times the monthly HUD Fair Market Rent for a similar sized unit
- ▣ HUD Fair Market rents range from \$1,150 to \$3,170
- ▣ Long Term tenants (more than 10 years) are eligible for increased relocation benefits up to 200% of the base line relocation benefit
- ▣ Moving Expenses
 - \$1,449 if all household members are adults
 - \$4,372 if household includes dependents, seniors or persons with disabilities

CITY TENANT PROTECTION ORDINANCE

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□ Tenant Eligibility

- Only tenants with incomes at or below 140% of Area Median Income are eligible for Relocation Assistance

Household size = 1 person	140% median income = \$89,250
Household size = 2 persons	140% median income = \$102,060
Household size = 3 persons	140% median income = \$114,800
Household size = 4 persons	140% median income = \$127,540
Household size = 5 persons	140% median income = \$137,760
Household size = 6 persons	140% median income = \$147,980

ELLIS ACT

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- Three Ellis Act Elements:
 - ▣ Automatic landlord authority to permanently withdraw all rental units from rental market
 - *i.e. legal reason for landlord to terminate tenancies*
 - ▣ Optional local authority to regulate procedure to withdraw units from rental market
 - *i.e. notices, time frames, and relocation assistance*
 - ▣ Optional local authority to regulate re-entry of property to rental market
 - *i.e. first right of return, vacancy control, penalties*

ELLIS ACT: AUTHORITY

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“The actions authorized by Sections 7060.2 and 7060.4 may be taken by regulation adopted after public notice and hearing by a public body of a public entity, if the members of the body have been elected by the voters of the public entity.”

Gov. Code § 7060.5

ELLIS ACT: AUTHORITY

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- Because Rental Housing Board members are not elected, RHB cannot enact regulations for
 - ▣ Government Code Sections 7060.2 -Relocation Assistance and Special Notice
 - ▣ 7060.4 -First Right of Return and Future Rent Control.
- City Council would have to adopt these regulations

QUESTIONS?