REGULAR MEETING AGENDA
PASADENA RENTAL HOUSING BOARD
SEPTEMBER 27, 2023

PUBLIC MEETING 6:00 P.M.

BOARD MEMBERS:
Ryan Bell, Chair, District 6/Tenant
Brandon Lamar, Vice Chair, District 3/Tenant
Deborah Dunlop, District 7/Tenant
Lourdes Gonzalez, At Large
Allison Henry, At Large
Emanuel Najera, District 1/Tenant
Barbara Pitts, District 4/Tenant
Dianne Romero Chavez, District 2/Tenant
Arnold Siegel, At Large
Yaneli Soriano Santiago, District 5/Tenant
Adela Torres, At Large

Peter Dreier, Alternate At Large
Aaron Markowitz, Alternate Tenant

In compliance with the Americans with Disabilities Act, Assistive Listening Devices are available at Pasadena Rental Housing Board Meetings. Assistive Listening headphones and neckloops can be checked out at with staff at the meeting. To request meeting materials in alternative formats or other disability-related modifications or accommodations necessary to facilitate meeting participation, please contact the City Clerk’s Office as soon as possible at (626) 744-4124 or cityclerk@cityofpasadena.net. Providing at least 72 hours advance notice will help ensure availability.

Spanish language translation services will be available at each meeting of the Pasadena Rental Housing Board.

Los servicios de traducción en español estarán disponibles en cada reunión de la Junta de Vivienda de Alquiler de Pasadena.

Additional language translation services are available for this meeting by calling (626)744-4124 at least 24 hours in advance.

Items on the agenda may not be called in order listed. Agendas and supporting documents are available on the Internet at https://www.cityofpasadena.net/commissions/pasadena-rental-housing-board/

Materials related to an item on this Agenda submitted to the Pasadena Rental Housing Board after distribution of the agenda packet are available for public inspection in the City Clerk’s Office at 100 N. Garfield Avenue, Room S-228, Pasadena, during normal business hours.
REGULAR MEETING AGENDA
PASADENA RENTAL HOUSING BOARD
SEPTEMBER 27, 2023
6:00 P.M.

ROBINSON PARK RECREATION CENTER, MULTI-PURPOSE ROOM
1081 N FAIR OAKS AVE, PASADENA, CA 91103

NOTICE IS HEREBY GIVEN that a regular meeting of the Pasadena Rental Housing Board will be held on Wednesday, September 27, 2023, at 6:00 p.m., at the Robinson Park Recreation Center, Multi-Purpose Room, 1081 N Fair Oaks Ave., Pasadena, CA.

Ryan Bell, Chair

I HEREBY CERTIFY that this notice was posted in its entirety on the Internet at https://www.cityofpasadena.net/commissions/pasadena-rental-housing-board/ at Pasadena City Hall in the rotunda, Council Chamber Bulletin Board Room S249, City Hall, 100 North Garfield Avenue, Robinson Park Recreation Center, 1081 N Fair Oaks Avenue, and a copy was distributed to Central Library for posting this 21st day of September, 2023, at 5:30 p.m., and that copies hereof were faxed or delivered to each member of the PRHB member, and to each local newspaper of general circulation, radio or television station requesting notice in writing, all of which recipients are identified on the distribution list set forth herein below.

Mark Jomsky, CMC
City Clerk

In compliance with the Americans with Disabilities Act, Assistive Listening Devices are available at all Pasadena Rental Housing Board Meetings. Assistive Listening headphones and neckloops can be checked out at the staff desk. To request meeting materials in alternative formats or other disability-related modifications or accommodations necessary to facilitate meeting participation, please contact the City Clerk’s Office as soon as possible at (626) 744-4124 or cityclerk@cityofpasadena.net. Providing at least 72 hours advance notice will help ensure availability.

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PUBLIC COMMENT AT THE PASADENA RENTAL HOUSING BOARD MEETING FOR SEPTEMBER 27, 2023 AT 6:00 P.M. WILL BE ACCEPTED IN-PERSON AND BY VIDEOCONFERENCE/TELECONFERENCE.

In order to facilitate public participation at meetings the Board will accept public comment in the following manner:

1. **In-person Meeting Participation**: Members of the public may provide public comment in person by submitting a speaker card prior to the start of public comment on that item.

   If a public comment speaker wishes to speak on more than one agenda item, please indicate which items on the speaker card. Public comments are limited to 3 minutes each, and the Chair and Board may limit this time if reasonable under the circumstances.

2. **Virtual Meeting Participation**: For virtual participants, you may attend by connecting to the meeting using a computer, other electronic device, or by telephone. Please review the agenda to identify the published start time for the meeting and connect to the meeting just prior to, or at the start of the meeting.

   To participate in public comment for an item and to be recognized to speak, members of the public may use the "raise hand" feature in the Zoom meeting. This will allow staff to locate and promote the speaker into the meeting when it is time for their public comment. Participants’ calls to the Pasadena Rental Housing Board meeting will be recorded as part of the meeting. By staying on the line and making public comment during the meeting by phone or electronic device, you are agreeing to have your call recorded. Following is the connectivity information for virtual participation:

   Computer or electronic devices, join the meeting at: https://us02web.zoom.us/j/89816590299

   Telephone only dial-in: 1-669-900-6833, Meeting ID: 898 165 902 99

3. Members of the public may submit correspondence of any length prior to the start of the meeting, at the following email address:

   cityclerk@cityofpasadena.net

   Correspondence will be forwarded to the Board prior to the start of the meeting, posted online, and made part of the legislative record for the item.
IF YOU NEED A REASONABLE MODIFICATION OR ACCOMMODATION PURSUANT TO THE AMERICANS WITH DISABILITIES ACT BECAUSE YOU ARE UNABLE TO PARTICIPATE ELECTRONICALLY AS SET FORTH ABOVE, CONTACT THE CITY CLERK’S OFFICE AS SOON AS POSSIBLE AT (626) 744-4124 OR CITYCLERK@CITYOFPASADENA.NET.
REGULAR MEETING AGENDA
PASADENA RENTAL HOUSING BOARD
SEPTEMBER 27, 2023

Public Meeting: 6:00 P.M.
Robinson Park Recreation Center
1081 N Fair Oaks Ave, Pasadena, CA 91103, Multi-Purpose Room

PUBLIC MEETING – 6:00 P.M.
ROLL CALL

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA
Public comment will be limited to a total of 30 minutes at the beginning of
the meeting and will continue at the conclusion of the meeting, if
necessary. Please limit comments to 3 minutes each.

APPROVAL OF MINUTES

1. August 23, 2023 Regular Meeting

OLD BUSINESS: None

NEW BUSINESS

2. ADOPTION OF RESOLUTION ESTABLISHING RELOCATION ASSISTANCE
REGULATIONS
Recommendation: It is recommended that the Pasadena Rental Housing Board:
   (1) Find that the proposed actions are exempt from the California Environmental
       Quality Act (“CEQA”) pursuant to State CEQA Guidelines Section 15061(b)(3)
       (common sense exemption); and
   (2) A resolution of the Pasadena Rental Housing Board adopting regulations
       establishing relocation assistance and relocation services to be provided by
       landlords to tenants displaced by no-fault evictions and large rent increases.

3. ADOPTION OF INTEREST RATE FOR SECURITY DEPOSITS FOR 2024
Recommendation: It is recommended that the Pasadena Rental Housing Board:
   (1) Find that the proposed action is exempt from the California Environmental
       Quality Act (“CEQA”) pursuant to State CEQA Guidelines Section 15061(b)(3)
       (common sense exemption); and
   (2) A resolution of the Pasadena Rental Housing Board adopting the Interest Rate
       for Security Deposits for 2024 and adopting Regulations Related to Security
       Deposits.
INFORMATION ITEM

4. AD HOC COMMITTEE REPORTS:
   A. FOUNDATIONS
   B. STAFFING
   C. COMMUNITY OUTREACH
   D. POLICY AND PROGRAM DEVELOPMENT

PUBLIC COMMENT – CONTINUED IF NECESSARY

FUTURE AGENDA ITEMS

ADJOURN
OPENING
Chair Bell called the meeting of the Pasadena Rental Housing Board to order at 6:05 p.m.

ROLL CALL:
Chair Ryan Bell
Vice Chair Brandon Lamar
Board Member Deborah Dunlop
Board Member Lourdes Gonzalez
Board Member Allison Henry
Board Member Emanuel Najera
Board Member Barbara Pitts
Board Member Dianne Romero Chavez
Board Member Arnold Siegel
Board Member Yaneli Soriano Santiago
Board Member Adela Torres
Alternate Board Member Peter Dreier (At-Large)
Alternate Board Member Aaron Markowitz (Tenant)

Staff:
Chanée Franklin-Minor, bhyv Consulting-Via Zoom
Nazanin Salehi, Goldfarb Lipmann Attorney-Via Zoom
Karen Tiedemann, Goldfarb Lipmann Attorney-Via Zoom
Desiree Acosta, Recording Secretary

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA
Michelle White, Pasadena resident, requested that future ad hoc committee meeting be open to the public, and spoke in opposition to the Pasadena Rental Housing Board (PRHB) request to integrate into the City as a Department. Budget to assist people with eviction, requesting workshops for landlords and tents.

Board Member Romero Chavez arrived at 6:06 p.m.

The following individuals spoke on issues related to rent increases, enforcement of Measure H, and/or assistance and guidance in interpreting rent control provisions:

Thor Gilbert, Pasadena resident
Kathryn Ferguson, Pasadena resident
Hashim Kamal, Pasadena resident
Liberty McCoy, Pasadena resident
Benito Sanchez, Pasadena resident

Gary Maat-Hotep, residence not stated, spoke in opposition to the PRHB integrating with the City, and advocated that the Board remain separate from the City and City Council.
Leon Victor, a Pasadena resident, spoke on behalf of his building’s tenant association, noting the urgency and need for the Board to implement its enforcement powers to ensure landlord compliance with the City’s Charter and newly established rent stabilization laws.

Dennis Jebbia, Pasadena resident, stated his concerns with PRHB Resolution No. RHB-2023-03.

APPROVAL OF MINUTES

It was moved by Vice Chair Lamar, seconded by Member Siegel, to approve the minutes of July 26, 2023, regular meeting and August 9, 2023, cancelled meeting, as submitted:

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

NOES: None

ABSENT: None

ABSTAIN: None

OLD BUSINESS

UPDATE AND DISCUSSION REGARDING AD HOC FOUNDATIONS COMMITTEE PROGRESS ON INTEGRATION OF THE PASADENA RENTAL HOUSING BOARD INTO THE CITY

Recommendation: It is recommended that the Pasadena Rental Housing Board receive information on the progress of the discussions related to the Board’s integration with the City as a department or division.

Chair Bell introduced the item, and Vice Chair Lamar provided a summary of the August 9th meeting with City staff, noting that the following items were discussed at the meeting: structure of the relationship between the PRHB and the City of Pasadena, options for the Board to utilize City services/established policies related to budgeting, contracting, and hiring, and provided information on the need to develop of a term sheet outlining the formal requests of the Board to the City.

Member Gonzalez, provided an update from the ad hoc committee’s review of the item, provided a timeline on the drafting of the term sheet, with the committee to report back to the full Board on recommendations and details that can be considered when finalizing the term sheet, with the goal to submit the completed term sheet to the City for formal discussions and consideration. She noted that a further report to the Board will occur after the Chair and Vice Chair meet with City staff.

Michelle White, Pasadena resident, stated her concerns with the proposed action, and requested additional information on the term sheet and the proposed duration of any agreement with the City.
NEW BUSINESS

Vice Chair Lamar left the meeting at 7:20 p.m. Alternate Member Markowitz was recognized as a tenant voting member in the Vice Chair’s absence.

Chair Bell thanked the Vice Chair and Member Gonzalez for their presentations, and invited Board Members to reach out to Vice Chair Lamar with any thoughts, questions, and/or suggestions on how to proceed as the process and discussions with the City move forward.

On the order of the Chair, and consensus of the Board, the information was received and filed.

ADOPTION OF A RESOLUTION OF THE PASADENA RENTAL HOUSING BOARD ADOPTING INTERIM REGULATIONS REGARDING THE WITHHOLDING OF RENT FOR FAILURE TO ROLLBACK RENT

Recommendation: It is recommended that the Pasadena Rental Housing Board:

1. Find that the proposed action is exempt from the California Environmental Quality Act (“CEQA”) pursuant to State CEQA Guidelines Section 15061(b)(3) (common sense exemption);
2. Adoption of a resolution of the Pasadena Rental Housing Board adopting interim regulations regarding the withholding of rent for failure to rollback rent.

Board Counsel Salehi summarized the item as part of a PowerPoint presentation. She noted that a worksheet will be created that will demonstrate to tenants how to calculate overpayments and deductions.

PRHB members had questions regarding potential landlord actions in response to these provisions, discussed how information will be disseminated so that members of the public will be aware of these provisions and tools, and expressed concerns with the lack of PRHB dedicated staff to help make this information more visible to the public.

The following individuals provided comments, asked questions related to regulations regarding the withholding of rent for failure to rollback rent in the City of Pasadena, and/or noting an error in the proposed resolution:

Brigitte Rooney, Pasadena resident
Gina Dance, residence not stated
Ashay Patel, Pasadena resident
Kate Hindman, residence not stated
Hashim Kamal, Pasadena resident
Claire Zeng, Pasadena resident
Simon Gibbons, Pasadena resident
Sarah Rodriguez, Pasadena resident
Leon Victor, residence not stated
Dennis Jebbia, Pasadena resident
Michelle White, Pasadena resident
Liberty McCoy, Pasadena resident
Following public comment, Board Counsel Tiedemann confirmed that an error existed on Page

Following discussion, it was moved by Member Siegel, seconded by Member Romero Chavez, to approve the staff recommendation, incorporating the amendment to the Resolution, Exhibit A, Section A - Purpose, 10th line, correcting the citation to: “...Charter Section 2803(c) 1803(c).”

AYES: Board Members Dunlop, Gonzalez, Henry, Najera, Pitts, Romero Chavez, Siegel, Soriano Santiago, Torres, Markowitz, Chair Bell
NOES: None
ABSENT: Vice Chair Lamar
ABSTAIN: None

RECEIVE A SURVEY OF NO-FAULT EVICTION RELOCATION ASSISTANCE POLICIES IN CALIFORNIA AND PROVIDE DIRECTION TO CONSULTANTS ON DRAFTING RELOCATION ASSISTANCE REGULATIONS

Recommendation: It is recommended that the Pasadena Rental Housing Board receive information on best practices in no-fault eviction relocation assistance policies in California and provide direction on the framework to assist the Pasadena Rental Housing Board in developing Pasadena’s no-fault eviction relocation assistance policies and regulations.

Chair Bell introduced the item, Agnes Cho, representing bhyv Consulting, presented information on no-fault eviction relocation assistance policies, including an overview of policy goals and objectives of relocation assistance, determining eligibility of assistance, and calculating assistance amounts, and responded to questions.

Following Board discussion, the following individuals provided comments and inquiries related to no-fault eviction relocation assistance in the City of Pasadena:

Brigitte Rooney, Pasadena resident
Gina Dance, Residency not stated
Ashay Patel, Pasadena resident
Michelle White, Pasadena resident
Liberty McCoy, Pasadena resident
Jane Panangaden, Pasadena resident
Adam Bray-Ali, residence not stated
Bin Lee, Pasadena resident, on Zoom
Board Secretary Acosta reported on correspondence received by the Pasadena Rental Housing Board related to this item, which was distributed to the Board, posted online, and made part of public record.

Chair Bell noted that this item was presented for information only at this time, and will be referred to the Policy and Programs ad hoc Committee to finalize the draft policy and submit it to the Board for consideration.

Following discussion, on order of the Chair, and consensus of the Board, the information was received and filed.

ADOPTION OF A RESOLUTION OF THE PASADENA RENTAL HOUSING BOARD APPROVING THE INCLUSION OF A TERMINATION FEE IN THE CONTRACT WITH BHYV CONSULTING IN THE EVENT THE BOARD TERMINATES THE CONTRACT FOR CONVENIENCE IN THE AMOUNT OF THE LESSER OF 50% OF THE REMAINING AMOUNT OWED ON THE CONTRACT OR TWO MONTHS OF THE MONTHLY FEE ON THE CONTRACT

Recommendation: It is recommended that the Pasadena Rental Housing Board:

(1) Find that the proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3) (common sense exemption);
(2) Adopt a resolution of the Pasadena Rental Housing Board of the City of Pasadena, California approving the inclusion of a termination fee in the contract with bhyv Consulting in the event the PRHB terminates the contract for convenience in the amount of the lesser of 50% of the remaining amount owed on the contract or two months of the monthly fee on the contract;
(3) Authorize the Chair, acting on behalf of the Pasadena Rental Housing Board, to execute a contract with bhyv Consulting with the termination fee; and
(4) To the extent the proposed action is subject to the Competitive Selection process, grant the contract an exemption pursuant to Pasadena Municipal Code ("PMC"), Section 4.08.049(B), contracts for which the City’s best interests are served in that these are specialized services, and there is a need to proceed immediately. Competitive price bidding is not required pursuant to City Charter Section 1002(F), contracts for professional or unique services.

Chair Bell introduced the item, and Board Counsel, Karen Tiedemann, Goldfarb Lipman, provided an oral overview of the item. She noted that the contract with bhyv consulting utilizes City’s professional services contract template, which includes a standard clause related to termination for convenience, which was the genesis for the requested contract provision.
The Board questioned whether similar types of fees were widely utilized, whether a similar provision could be added for the benefit of the Board if bhyv terminated the contract for convenience, and affirmatively clarified with Board Counsel that the Board could terminate for cause without incurring the fee. It was also noted by Board Counsel that if the termination for convenience clause was eliminated, then the only reason the Board could end the contract early would be for cause.

Member Henry noted that the contract with bhyv was sole sourced without a formal Request for Proposal process, cited the high dollar value of the approved contract, with both aspects benefiting bhyv, and therefore did not support authorizing the inclusion of the fee in the contract.

The following individuals provided comments related to the item, regarding a termination fee in the contract with bhyv consulting:

Adam Bray-Ali, residence not stated

Board Secretary Acosta reported on correspondence received by the Pasadena Rental Housing Board related to this item, which was distributed to the Board, posted online, and made part of public record.

Following discussion, it was moved by Member Markowitz, seconded by Member Pitts, to approve the staff recommendation:

AYES: Board Members Dunlop, Najera, Pitts, Torres, Markowitz, Chair Bell
NOES: Board Members Henry, Siegel
ABSENT: Vice Chair Lamar
ABSTAIN: Board Members Gonzalez, Romero Chavez, Soriano Santiago

INFORMATION ITEM   AD HOC COMMITTEE REPORTS:

A. FOUNDATION
B. STAFFING
C. COMMUNITY OUTREACH
D. POLICY AND PROGRAM DEVELOPMENT

Chair Bell noted that the Foundation ad hoc committee reported out on Item No. 2 above (Integration of the PRHB with the City), and stated that the Staffing ad hoc committee does not have an update at this time.

Member Henry reported that the Community Outreach ad hoc committee has completed work on the Fact Sheet, which is now publicly available and is being actively distributed to members of the public including to City offices (including District Liaisons), community organizations, neighborhood associations, service organizations, PUSD email distribution, and via social
media sites. She noted that the Committee had questions about creating a PRHB social media account and/or whether to potentially pay for social media advertising. She noted that the Committee is discussing the planning for upcoming tenant and landlord workshops that will provide education on the new Charter provisions, and how to respond to incoming email inquiries. It was noted that the Fact Sheet flyer will be printed and distributed as widely as possible, and that Board Members can provide suggestions on further ways to distribute this information.

Chair Bell noted that Item Nos. 3 and 5 were reviewed and submitted by the Policy and Program Development ad hoc committee. Member Markowitz provided an update on the Policy and Program Development ad hoc committee, and reported on the work with the City in updating some of the permitting requirements, specifically for substantial renovations. In addition, the committee is working on Board meeting rules, drafting of noticing forms that are called for in the Charter, and an interest rate schedule for security deposits, that will be submitted to the full Board at an upcoming meeting.

Dennis Jebbia, Pasadena resident, noted that the Fact Sheet may contradict an adopted Board resolution, and create confusion.

On the order of the Chair, and consensus of the Board, the information was received and filed.

FUTURE AGENDA ITEMS

Chair Bell provided an overview of the upcoming meeting scheduled for the PRHB through the end of the current 2023 calendar year, and into the first six months of calendar year 2024. Member Najera suggested exploring alternate meeting locations.

The Board requested a training on the concepts related to Fair Return provisions for rental housing, as well as information and update on the Budget, staffing models, and fees.

Following discussion, by order of the Chair, and consensus of the Board, the information was received and filed.

PUBLIC COMMENT cont.

Gary Maat-Hotep, Residence not stated, has concerns with the PRHB being part of the City

Maritza Sanpedrao, Pasadena resident, is concerned with her landlord requesting her to sign a new contract and requested advice from the PRHB
On the order of the Chair, the meeting of the Pasadena Rental Housing Board was adjourned at 10:18 p.m.

______________________________
RYAN BELL, Chair
Pasadena Rental Housing Board

______________________________
Desiree Acosta
Recording Secretary
PASADENA RENTAL HOUSING BOARD

SEPTEMBER 27, 2023

ITEM 2

MEMORANDUM AND RESOLUTION
September 27, 2023

To
Pasadena Rental Housing Board

From
Karen M. Tiedemann, General Counsel to the Board
Nazanin Salehi, General Counsel to the Board

RE

Adopting Regulations Establishing Relocation Assistance and Relocation Services to be Provided by Landlords to Tenants Displaced by No-Fault Evictions and Large Rent Increases

RECOMMENDATION:

That the Pasadena Rental Housing Board adopt the following resolutions:

1. Find that the proposed actions are exempt from the California Environmental Quality Act (“CEQA”) pursuant to State CEQA Guidelines Section 15061(b)(3) (common sense exemption); and

2. A Resolution of the Rental Housing Board of Pasadena adopting regulations establishing relocation assistance and relocation services to be provided by landlords to tenants displaced by no-fault evictions and large rent increases.

BACKGROUND

The purpose of the Pasadena Fair and Equitable Charter Amendment (“Charter Amendment”) is to promote neighborhood and community stability, healthy housing, and affordability for renters in Pasadena, in part by regulating arbitrary evictions. To achieve this purpose, Section 1806(a) of the Charter Amendment prohibits a landlord from taking action to terminate a tenancy unless one of the enumerated “just cause” conditions exists. Among the enumerate conditions are four no-fault just causes: necessary and substantial repairs, owner move-in, withdrawal of the unit permanently from the rental market, and government order. (Charter § 1806(a)(8)-(11).)

For tenants who are displaced based on one of these four no-fault just causes, a landlord is required to provide Relocation Assistance. (Charter § 1806(b).) “Relocation Assistance” is defined as “financial assistance.” (Charter § 1803(r).) In addition,
landlords are required to provide Relocation Assistance to any tenant who is displaced from a rental unit due to inability to pay a rent increase in excess of 5 percent plus the most recently announced Annual General Adjustment in any twelve-month period.

The Charter Amendment requires the Rental Housing Board to issue rules and regulations establishing the amount of the relocation assistance to be provided by a landlord to an eligible tenant and the procedures for timely payment of the relocation assistance to the tenant. (Charter § 1806(b)(B).)

ANALYSIS

Definitions. The proposed regulations would provide for the following defined terms that are not defined in the Charter Amendment:

- **Eligible Tenant Household** means a household that is being displaced from a Rental Unit on the basis of paragraphs (8) through (11) of subsection (a) of Section 1806 of the Charter Amendment, or on the basis of an inability to pay a Rent increase in excess of 5 percent plus the effective Annual General Adjustment in any 12-month period.

- **Special Circumstances Household** refers to an Eligible Tenant Household with at least one (1) member who (i) is sixty (60) years of age or older; (ii) qualifies as disabled; (iii) qualifies as terminally ill; and/or (iv) is a minor child who is legally dependent.

- **Fair Market Rent**, for the purposes of the regulations, means the average of the Small Area Fair Market Rents (SAFMRs) by unit bedrooms for the zip codes covering Pasadena (91101, 91102, 91103, 91104, 91105, 91106, and 91107), as published by the U.S. Department of Urban and Housing Development.

  - The proposed regulations rely on the SAFMRs because the fair market rents in Pasadena tend to track about 10 to 20 percent higher than the fair market rents for the Los Angeles-Long Beach-Glendale HUD Metro FMR Area, and the goal of the relocation assistance is to ensure tenants can relocate in Pasadena if they are displaced from their current homes.

  - Based on the foregoing, the current Fair Market Rent(s) for Pasadena are as follows:
    - Efficiency: $2,039
    - 1-bedroom: $2,301
    - 2-bedroom: $2,902
    - 3-bedroom: $3,744
• 4+ bedroom: $4,133

- **Relocation Assistance** refers to all financial assistance, which is the sum of the Base Relocation Payment due to the Eligible Tenant Household, the moving expense allowance due to the Eligible Tenant Household, and an additional cash payment equivalent to three times the Fair Market Rent for Special Circumstances Households.

  - The regulations propose an additional payment for Special Circumstances Households in recognition of the fact that households with minors, seniors, individuals with disabilities and individuals with terminal illnesses often face additional barriers when seeking replacement housing affordable to their household due to the limited availability of rental units that serve the particular needs of their household. For instance, disabled individuals often require accessible units, which are not only in limited supply but are often not rent-stabilized since many accessibility requirements were often not imposed on older construction.

- **Relocation Agency** refers to a relocation assistance specialist, agency and/or other third-party agency hired by the Rental Housing Board and paid for by the Landlord to assist with the relocation assistance process.

**Relocation Assistance and Services.** In addition to Relocation Assistance (i.e., financial payments), the proposed regulations would require the landlord to provide the following:

  - A full refund of the Eligible Tenant Household’s security deposit within the timelines required by state law for the return of security deposits.

  - Unlimited access to a rental agency subscription.

  - Relocation advisory services of a Relocation Agency, as more specifically detailed in the proposed regulations.

**Base Relocation Payment.** The Base Relocation Payment is the main portion of the Relocation Assistance. It is based on a multiplier of the Fair Market Rent for a Rental Unit with the same number of bedrooms as the Rental Unit from which the Eligible Tenant Household is being displaced, and on the length of the tenancy.

  - For tenancies from 0 years up to three years, three (3) months’ Fair Market Rent;

  - For tenancies longer than three years up to 10 years, four (4) months’ Fair Market Rent;

  - For tenancies longer than 10 years, five (5) months’ Fair Market Rent.
The chart below shows the Base Relocation Payment, plus the additional payment for Special Circumstances Households, that would be in effect for the period from September 27, 2023 through September 30, 2024:

<table>
<thead>
<tr>
<th>Length of Tenancy</th>
<th>Efficiency</th>
<th>1-bedroom</th>
<th>2-bedrooms</th>
<th>3-bedrooms</th>
<th>4+ bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 years</td>
<td>$6,117</td>
<td>$6,903</td>
<td>$8,760</td>
<td>$11,232</td>
<td>$12,399</td>
</tr>
<tr>
<td>&gt;3-10 years</td>
<td>$8,156</td>
<td>$9,204</td>
<td>$11,860</td>
<td>$14,976</td>
<td>$16,532</td>
</tr>
<tr>
<td>&gt;10 years</td>
<td>$10,195</td>
<td>$11,505</td>
<td>$14,780</td>
<td>$18,720</td>
<td>$20,665</td>
</tr>
<tr>
<td>PLUS add’tl payment for Special Circumstances Households</td>
<td>$6,117</td>
<td>$6,903</td>
<td>$8,760</td>
<td>$11,232</td>
<td>$12,399</td>
</tr>
</tbody>
</table>

As noted in the definition of Relocation Assistance, a moving expense allowance should be added to the amounts owed to any Eligible Tenant Household. The moving expense allowance is based on the amounts in the City’s Tenant Protection Ordinance, codified at Pasadena Municipal Section Code § 9.75.060, subd. (a) and adjusted for inflation. The Annual General Adjustment will be used as the measure of inflation when resetting the moving expense allowance annually. Therefore, the moving expense allowance for the period from September 27, 2023 through September 30, 2024 would be as follows:

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Moving Expense Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Tenant Household (all adults)</td>
<td>$1,536</td>
</tr>
<tr>
<td>Special Circumstances Household</td>
<td>$4,634</td>
</tr>
</tbody>
</table>

**Process for Payments to Eligible Tenant Households Displaced by No-Fault Evictions.** The proposed regulations would establish a procedure for disbursement of payments to Eligible Tenant Households displaced by a no-fault eviction. The following steps would be applicable:

1. The Landlord must file a Notice of Intent with the Rental Housing Board at least 30 days before serving the tenant with a notice of termination of tenancy. The
The purpose of this lead time is to allow sufficient time for the Rental Housing Board to prepare the forms and notices that need to go to the Eligible Tenant Household. The Rental Housing Board shall create and publish the correct form for the Notice of Intent.

2. The Rental Housing Board, either through its staff or through a Relocation Agency, will mail a copy of the Notice of Intent along with a Tenant Claim Form to the Eligible Tenant Household within 15 days after the Landlord’s filing. The Tenant Claim Form will request, at a minimum, contact information for the Eligible Tenant Household, security deposit information, whether the household qualifies as a Special Circumstances Household, and (where applicable) the household’s availability to meet with the Relocation Agency.

3. **First Payment.** The first Relocation Assistance payment, of at least 50 percent of the total Relocation Assistance amount, must be made within 10 days of service of the notice of termination of tenancy.

4. **Second Payment.** The Landlord may either (i) pay the remaining balance of the Relocation Assistance into an escrow account no later 28 days prior to the expiration of the termination notice to be disbursed upon certification of the Eligible Tenant Household’s vacation of the unit or (ii) pay the remaining balance directly to the Eligible Tenant Household no later than 28 days prior to the expiration of the termination notice.

**Process for Payments to Eligible Tenant Households Displaced by Large Rent Increases.** The regulations as proposed would provide for a slightly different procedure for disbursement of payments to Eligible Tenant Households displaced by large rent increases, since a Tenant will only know if they will be displaced by a rent increase after they have received the rent increase. As such, the following steps apply:

1. Within 30 days of receiving a qualifying rent increase, the Tenant sends their Landlord a Notice of Inability to Pay Rent Increase, notifying them of the inability to pay the rent increase and their intent to move out. The Rental Housing Board shall create and publish the Notice of Inability to Pay Rent Increase.

2. The Tenant must file a copy of the Notice of Inability to Pay Rent Increase with the Rental Housing Board within five (5) days after service on their Landlord.

3. Within 15 days after receiving the Tenant’s filing, the Rental Housing Board, either through its staff or through a Relocation Agency, will mail the Tenant Claim Form (same as described above) to the Eligible Tenant Household.

4. **First Payment.** The first Relocation Assistance payment, of at least 50 percent of the total Relocation Assistance amount, must be made within 10 days of the Rental Housing Board informing the Landlord of the total amount of Relocation Assistance owed to the Eligible Tenant Household.
5. **Second Payment.** The Landlord must pay the remaining balance of the Relocation Assistance directly to the Eligible Tenant Household no later than the date on which the Eligible Tenant Household vacates the Rental Unit.

If an Eligible Tenant Household fails to vacate the Rental Unit within 90 days of the effective date of the qualifying rent increase, then the Eligible Tenant Household will forfeit the remaining balance of the Relocation Assistance and will have to repay 50 percent of the amount of the first Relocation Payment made by the Landlord.

**Voluntary Escrow Account.** Regardless of which process is applicable, the proposed regulations also provide an option for the Landlord to use a voluntary escrow account. This is an escrow account that will be maintained by the Relocation Agency. A Landlord who chooses to use this method would deposit the entire amount of Relocation Assistance owed to the Eligible Tenant Household in the escrow account before either payment is due, and will allow the Relocation Agency to disburse the funds to the Eligible Tenant Household in accordance with the schedule outlined in the Charter Amendment. It is important to note that this option will not be available immediately upon adoption of the regulations by the Board, as staff requires additional time to contract with a Relocation Agency and establish an escrow account for these purposes.

**Publication.** As previously mentioned, under the proposed regulations, the Rental Housing Board will be required to publish the Base Relocation Payment schedule, the Special Circumstances Household Payment schedule, and the moving expense allowance schedule no later than September 1 of each year, and those schedules shall be effective from October 1 through September 30 of the following year.

**Non-waivability.** Landlords and Tenants cannot contract around the Relocation Assistance requirements. Any provision of a lease or rental agreement, whether written or oral, that purports to waive a Tenant’s right to relocation assistance is null and void.

**Affirmative Defense.** A tenant may raise a Landlord’s failure to provide Relocation Assistance in accordance with the regulations as an affirmative defense in an unlawful detainer or other action brought by the Landlord to recover possession of the Rental Unit.

**Effective Date.** These regulations would become effective immediately upon adoption by the Rental Housing Board.

**FISCAL IMPACT:**

At this time, the adoption of these regulations is not intended to impact the budget of the Pasadena Rental Housing Board. However, as the Rental Housing Board begins the process of contracting with a Relocation Agency, there may be start-up costs associated with setting up the contract. Ultimately, the cost of the Relocation Agency’s services will be passed onto Landlords, as provided for in the proposed regulations.
ATTACHMENTS:

Attachment A – A RESOLUTION OF THE RENTAL HOUSING BOARD OF PASADENA ADOPTING REGULATIONS ESTABLISHING RELOCATION ASSISTANCE AND RELOCATION SERVICES TO BE PROVIDED BY LANDLORDS TO TENANTS DISPLACED BY NO-FAULT EVICTIONS AND LARGE RENT INCREASES
PASADENA
RENTAL HOUSING BOARD
RESOLUTION NO. RHB-2023-XX

A RESOLUTION OF THE PASADENA RENTAL HOUSING BOARD ADOPTING
REGULATIONS ESTABLISHING RELOCATION ASSISTANCE AND RELOCATION
SERVICES TO BE PROVIDED BY LANDLORDS TO TENANTS DISPLACED BY NO-FAULT EVICTIONS AND LARGE RENT INCREASES

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

WHEREAS, Section 1806(a) of the Charter Amendment prohibits a landlord from taking action to terminate a tenancy unless one of the enumerated “just cause” conditions exists; and

WHEREAS, paragraphs (8) through (11) of Section 1806(a) of the Charter Amendment enumerate conditions for terminating a tenancy that are no fault of the tenant, including necessary and substantial repairs, owner move-in, withdrawal of the unit permanently from the rental market, and government order; and

WHEREAS, Section 1806(b) of the Charter Amendment provides that any landlord seeking to terminate a tenancy and recover possession of a covered rental unit pursuant to paragraphs (8) through (11) of Section 1806(a) shall provide relocation assistance; and

WHEREAS, paragraph (C) of Section 1806(b) of the Charter Amendment requires a landlord to provide relocation assistance to any tenant who is displaced from a rental unit due to inability to pay a rent increase in excess of 5 percent plus the most recently announced Annual General Adjustment in any twelve-month period; and

WHEREAS, paragraph (B) of Section 1806(b) of the Charter Amendment requires the Rental Housing Board to issue rules and regulations establishing the amount of the relocation assistance to be provided by a landlord to an eligible tenant and the procedures for timely payment of the relocation assistance to the tenant; and

WHEREAS, tenants who are displaced from their homes are faced with a number of costs, including but not limited to, rental application fees, moving and packing expenses, costs associated with disconnecting and connecting utilities, and requirements to pay first month’s rent, last month’s rent, and a security deposit upon signing of a new lease; and
WHEREAS, the fair market rents in the City of Pasadena tend to track about 10 to 20 percent higher than the fair market rents for the Los Angeles-Long Beach-Glendale HUD Metro FMR Area, as published by the United States Department of Housing and Urban Development; and

WHEREAS, households with minor children, seniors, individuals with disabilities, and individuals with terminal illnesses often face additional barriers to securing housing affordable to their household due to limited availability of rental units that serve the particular needs of their household; and

WHEREAS, the Rental Housing Board held a publicly noticed meeting on September 27, 2023 and discussed and solicited public feedback on proposed relocation assistance amounts and procedures;

NOW, THEREFORE, BE IT RESOLVED by the Pasadena Rental Housing Board that the regulations set forth in Exhibit A and the relocation schedules set forth in Exhibit B 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 the 27th day of September 2023, by the following vote:

AYES: 
NOES: 
ABSENT: 
ATTEST: 

______________________________  ______________________________
DESIREE ACOSTA               RYAN J. BELL
RECORDING BOARD SECRETARY    CHAIR, RENTAL HOUSING BOARD

Exhibits):  A. Regulations – Relocation Assistance Requirements
B. Relocation Payment and Moving Expense Allowance Schedules for September 27, 2023 through September 30, 2024

180601063549235.2
A. Purpose. The Pasadena Fair and Equitable Rent Charter Amendment ("Charter Amendment") seeks to promote neighborhood and community stability, healthy housing and affordability for Pasadena renters by regulating excessive rent increases and arbitrary evictions. The Charter Amendment prohibits a Landlord from terminating a tenancy unless the Landlord enumerates one of eleven (11) just causes, seven (7) of which are at-fault and four (4) of which are no-fault. (Charter Section 1806(a).) To further ensure community stability, the Charter Amendment requires Landlords to provide relocation assistance to Tenants who are displaced due to a no-fault eviction or an excessive rent increase that results in displacement. The purpose of these regulations is to effectuate the intent of the Charter Amendment by establishing the relocation assistance requirements and procedures for both Landlords and Tenants.

B. Definitions. For the purposes of these regulations, these terms shall have the following meanings:

1. Eligible Tenant Household. A household that has been displaced from a Rental Unit based on any of the following:

   a. Necessary and Substantial Repairs Requiring Temporary Vacancy, as defined in Charter Amendment Section 1806(a)(8), except that a Tenant that elects to accept an offer to move to a comparable vacant Rental Unit at the same or lower Rent shall not be considered an Eligible Tenant Household for the purposes of these Regulations;

   b. Owner Move-In, as defined in Charter Section 1806(a)(9);

   c. Withdrawal of the Unit Permanently from Rental Market, as defined in Charter Section 1806(a)(10);

   d. Government Order, as defined in Charter Section 1806(a)(11); or

   e. Inability to pay a Rent increase(s) in excess of five percent (5%) plus the effective Annual General Adjustment in any twelve-month period, provided that the household has informed the Landlord of their inability to pay in accordance with Section D.2.a below.
2. **Fair Market Rent.** The fair market rent shall be calculated by taking the average of the Small Area Fair Market Rents (SAFMRs) by unit bedrooms for zip codes 91101, 91102, 91103, 91104, 91105, 91106, 91107, as published annually by the United States Department of Housing and Urban Development. The Rental Housing Board shall publish the Fair Market Rent(s) annually.

3. **Landlord.** An owner, lessor, sublessor, or any other person entitled to receive Rent for the use and occupancy of a Rental Unit, or an agent, representative, predecessor or successor of any of the foregoing.

4. **Property.** All Rental Units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.

5. **Relocation Assistance.** Relocation Assistance shall mean financial assistance in the amounts set forth below:
   a. The Base Relocation Payment for the Eligible Tenant Household; and
   b. A moving expense allowance in an amount equal to that provided by Pasadena Municipal Code § 9.75.060, subd. (a), except that any Special Circumstance Household shall be entitled to the moving expense allowance for “households with dependents, disabled, or senior members,” which amount shall be adjusted annually by the increase in the Consumer Price Index in accordance with Pasadena Municipal Code § 9.75.060, subd. (c); and
   c. If applicable, an additional cash payment equivalent to three times the Fair Market Rent per Rental Unit for Special Circumstances Households.

6. **Relocation Agency.** A relocation assistance specialist, agency and/or other third-party agency hired by the Rental Housing Board and paid for by the Landlord to assist with the relocation assistance process set forth in these Regulations.

7. **Rental Unit.** Any building, structure, or part thereof, or land appurtenant thereto, or any other rental property rented or offered for rent for residential purposes, whether or not such units possess a valid Certificate of Occupancy for use as rental housing, together with all Housing Services connected with use or occupancy of such Property, such as common areas and recreational facilities held out for use by the Tenant.
8. **Special Circumstances Household.** An Eligible Tenant Household with any of the following characteristics:

   a. At least one (1) member who is sixty (60) years of age or older;

   b. At least one (1) member who qualifies as disabled as defined by Title 42, United States Code, Section 423 or California Government Code Section 12955.3, or successor section(s);

   c. At least one (1) member who qualifies as terminally ill, as certified by the Tenant’s treating physician; or

   d. At least one (1) member is a minor child (nineteen (19) years of age or under) who is legally dependent (as determined for federal income tax purposes).

9. **Tenant.** A tenant, subtenant, lessee, sublessee or any other person entitled under the terms of a Rental Housing Agreement or this Article to the use or occupancy of any Rental Unit.

C. **Relocation Assistance and Services.**

1. A Landlord shall be required to provide all of the following to an Eligible Tenant Household:

   a. Relocation Assistance;

   b. A full refund of a Eligible Tenant Household’s security deposit, except for funds that may be necessary to repair Tenant’s intentional or negligent damage, beyond ordinary wear and tear, to a Rental Unit that is to be reoccupied, within the timelines proscribed by Civil Code Section 1950.5;

   c. Unlimited access to a subscription service to a rental agency until the earlier of the Eligible Tenant Household securing alternative housing or the termination of the tenancy; and

   d. Relocation advisory services of the Relocation Agency (or if the Rental Housing Board has not yet contracted with the Relocation Agency, of any relocation assistance specialist or agency of the Landlord’s choosing), including extended advisory and personalized housing assistance based on the Eligible Tenant Household’s preferences, housing budget, preferred location and other requirements, and providing up to five (5) rounds of referrals through analysis of available rental housing, including internet listings, contact with property management companies, available...
affordable housing options, including waitlist opportunities, and other leads on housing.

2. **Base Relocation Payment.** Annually, the Rental Housing Board shall publish the Base Relocation Payment schedule. The Base Relocation Payment is a cash payment in an amount to be determined by the Rental Housing Board based on a multiplier of the Fair Market Rent for a Rental Unit with the same number of bedrooms as the Rental Unit from which the Eligible Tenant Household is being displaced, based on the length of the tenancy as outlined below:

   a. For tenancies from 0 years up to three years, three (3) months' Fair Market Rent;

   b. For tenancies longer than three years up to 10 years, four (4) months' Fair Market Rent;

   c. For tenancies longer than 10 years, five (5) months' Fair Market Rent.

D. **Process for Payment and Receipt of Relocation Assistance.**

   1. **Process for Eligible Tenant Household Defined in Section B.1.a Through d.**

      a. **Notice of Intent.** A Landlord who intends to serve one or more Tenant(s) with a notice of termination of tenancy based on Charter Sections 1806(a)(8) through (11) shall file a Notice of Intent to Terminate Tenancy, on a form provided by the Rental Housing Board, with the Rental Housing Board, or its designee, at least thirty days (30) prior to the date on which the Landlord intends to serve the notice.

      b. **Notification by Rental Housing Board.** The Rental Housing Board, either through its staff or through the Relocation Agency, shall mail a copy of the Notice of Intent to Terminate Tenancy, along with a copy of the Tenant Claim Form, to each Eligible Tenant Household within fifteen (15) days after the Landlord's filing of the notice.

      c. **Tenant Claim Form.** Each Eligible Tenant Household shall complete a Tenant Claim Form, which shall include at a minimum:

         i. Contact information for the Eligible Tenant Household;
ii. Whether the Eligible Tenant Household paid a security deposit, and if so, the amount of said security deposit;

iii. Whether the Eligible Tenant Household is a Special Circumstances Household; and

iv. Where applicable, the Eligible Tenant Household’s availability for an initial interview with the Relocation Agency for relocation advisory service

Failure to complete a Tenant Claim Form shall not forfeit the Eligible Tenant Household’s right to Relocation Assistance, but completion of the Tenant Claim Form is necessary to ensure that the Eligible Tenant Household receives the correct amount of Relocation Assistance.

d. Timing of Payments.

i. First Payment. The Landlord shall provide at least fifty percent (50%) of the total Relocation Assistance to the Eligible Tenant Household within ten (10) days of service of the notice of termination of tenancy pursuant to Charter Amendment Sections 1806(a)(8) through (11).

ii. Second Payment. The Landlord, in their sole discretion, may either:

- Pay the remaining balance of the Relocation Assistance owed to the Eligible Tenant Household to an escrow account no later than twenty-eight (28) days prior to the expiration of the written notice of termination of tenancy, to be disbursed to the Eligible Tenant Household upon certification of vacation of the Rental Unit; or

- Pay the remaining balance of the Relocation Assistance directly to the Eligible Tenant Household no later than twenty-eight (28) days prior to the expiration of the written notice of termination of tenancy.

e. Voluntary Escrow Account. Alternatively, the Landlord, in their sole discretion, may, at any time prior to the date on which they serve the written notice of termination of tenancy, deposit all of the Relocation Assistance into an escrow account maintained by the Relocation Agency. Should the Landlord choose to deposit all
of the Relocation Assistance owed to the Eligible Tenant Household, the Relocation Agency shall disburse the funds to the Tenant as follows:

i. Fifty percent (50%) of the Relocation Assistance within ten (10) days after service of the notice of termination of tenancy by the Landlord;

ii. All or a portion of the remaining balance of the Relocation Assistance prior to vacation of the Rental Unit by the Eligible Tenant Household where the Eligible Tenant Household demonstrates relocation expenses incurred or to be incurred; and

iii. Any remaining balance of the Relocation Assistance upon certification of vacation of the Rental Unit by the Eligible Tenant Household.


   a. Notice of Inability to Pay Rent Increase. Within thirty (30) days of receipt of a rent increase in excess of five percent (5%) plus the effective Annual General Adjustment, a Tenant shall inform their Landlord, on a form provided by the Rental Housing Board, that they are unable to pay the rent increase and intend to relocate. The Tenant shall file a copy of the “Notice of Inability to Pay Rent Increase” with the Rental Housing Board, or its designee, within five (5) days after service of the notice on the Landlord.

   b. Tenant Claim Form. The Rental Housing Board, either through its staff or through the Relocation Agency, shall mail a copy of the Tenant Claim Form to each Eligible Tenant Household within fifteen (15) days after the Tenant’s filing of the Notice of Inability to Pay Rent Increase. The Tenant Claim Form shall have the same form and substance as noted in Section D.1.c.

   c. Timing of Payments.

     i. First Payment. A Landlord shall provide at least fifty percent (50%) of the total Relocation Assistance to the Eligible Tenant Household within ten (10) days of notification by the Rental Housing Board of the total amount of Relocation Assistance owed to the Eligible Tenant Household.
ii. **Second Payment.** Pay the remaining balance of the Relocation Assistance directly to the Eligible Tenant Household no later than the date of vacation of the Rental Unit by the Eligible Tenant Household.

d. **Voluntary Escrow Account.** The Landlord, in their sole discretion, may deposit all of the Relocation Assistance into an escrow account maintained by the Relocation Agency. Should the Landlord choose to deposit all of the Relocation Assistance owed to the Eligible Tenant Household, the Relocation Agency shall disburse the funds to the Tenant in accordance with the payment schedule in Section D.2.c. above.

e. **Failure to Vacate.** An Eligible Tenant Household that sends a Notice of Inability to Pay Rent Increase and makes a claim for Relocation Assistance pursuant to this Section D.2 shall be required to vacate the Rental Unit within ninety (90) days of the effective date of the rent increase in excess of five percent (5%) plus the effective Annual General Adjustment. Failure to vacate the Rental Unit within that time shall result in forfeiture of the remaining balance of the Relocation Assistance and a requirement to repay fifty percent (50%) of the amount of the first payment of Relocation Assistance made by the Landlord.

E. **Publication.** Except for the first schedule(s) which shall be published upon adoption of these regulations by the Rental Housing Board, the Rental Housing Board shall publish the Base Relocation Payment schedule and the moving expense allowance schedule no later than September 1 each year. The payment schedules shall be effective for the period from October 1 through September 30 of the following year.

F. **Non-Waivability.** Any provision of a Rental Housing Agreement or other agreement, whether written or oral, that purports to waive a Tenant’s right to Relocation Assistance or other benefits under these Regulations shall be deemed to be against public policy and shall be void.

G. **Affirmative Defense.** A Landlord’s failure to provide Relocation Assistance in accordance with the requirements of these Regulations shall constitute a complete defense to unlawful detainer or other action brought by the Landlord to recover possession of the Rental Unit.

H. **Effective Date.** These Regulations shall go into effect immediately upon their adoption by the Rental Housing Board.

I. **Partial Invalidity.** If any provision of these Regulations, or the application thereof to any person or circumstance, is held invalid, this invalidity shall not affect other
provisions or applications of these Regulations that can be given effect without the invalid provision or application, and to this end, the provisions of the Regulation are declared to be severable. These Regulations shall be liberally construed to achieve the purposes of the Charter Amendment.
EXHIBIT B
PASADENA RENTAL HOUSING BOARD
2023-2024 RELOCATION SCHEDULES

Base Payment and Special Circumstances Payment Schedule
(9/27/2023-9/30/2024)

<table>
<thead>
<tr>
<th>Length of Tenancy</th>
<th>Efficiency</th>
<th>1-bedroom</th>
<th>2-bedrooms</th>
<th>3-bedrooms</th>
<th>4+ bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 years</td>
<td>$6,117</td>
<td>$6,903</td>
<td>$8,760</td>
<td>$11,232</td>
<td>$12,399</td>
</tr>
<tr>
<td>&gt;3-10 years</td>
<td>$8,156</td>
<td>$9,204</td>
<td>$11,860</td>
<td>$14,976</td>
<td>$16,532</td>
</tr>
<tr>
<td>&gt;10 years</td>
<td>$10,195</td>
<td>$11,505</td>
<td>$14,780</td>
<td>$18,720</td>
<td>$20,665</td>
</tr>
<tr>
<td>PLUS add'l payment for Special Circumstances Households</td>
<td>$6,117</td>
<td>$6,903</td>
<td>$8,760</td>
<td>$11,232</td>
<td>$12,399</td>
</tr>
</tbody>
</table>

Moving Expense Allowance Schedule (9/27/2023-9/30/2024)

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Moving Expense Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Tenant Household (all adults)</td>
<td>$1,536</td>
</tr>
<tr>
<td>Special Circumstances Household</td>
<td>$4,634</td>
</tr>
</tbody>
</table>
September 27, 2023

To
Pasadena Rental Housing Board

From
Karen M. Tiedemann, General Counsel to the PRHB
Nazanin Salehi, General Counsel to the PRHB

RE
Adoption of Security Deposit Interest for 2024 and Regulations related to Security Deposits

RECOMMENDATION: It is recommended that the Pasadena Rental Housing Board approve the following:

(1) Find that the proposed action is exempt from the California Environmental Quality Act (“CEQA”) pursuant to State CEQA Guidelines Section 15061(b)(3) (common sense exemption);

(2) Resolution adopting the Interest Rate for Security Deposits for 2024 and adopting Regulations Related to Security Deposits

BACKGROUND
On November 8, 2022, the voters of the City of Pasadena (the “City”) voted to adopt Measure H, which amended the City’s Charter to impose rent control and just cause eviction protections. The Pasadena City Council (“City Council”) adopted a resolution certifying the results of the November 8, 2022 election on December 12, 2022, and the charter amendment was thereafter filed with the California Secretary of State and took effect on December 22, 2022.

On April 19, 2023, the City Council appointed members to serve on the Pasadena Rental Housing Board (“Board”) to administer City Charter Article XVIII, The Pasadena Fair and Equitable Housing Charter Amendment (“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. (See, generally, City Charter, art. XVIII, § 1811.) The Board held its first meeting on May 24, 2023.
The Charter Amendment gives the Board authority to establish rules and regulations for administration and enforcement of the Charter Amendment (City Charter, Art. XVIII, §1811(e)(2)).

The Charter Amendment requires that landlords pay interest annually on security deposits held for at least one year (City Charter, Art. XVIII, §1806(f)). The interest rate to be paid on security deposits is to be set by the Board every October and is applicable for the following calendar year. In setting the interest rate, the Board is required to survey the interest rates paid on savings accounts by at least five banks with branches in Pasadena that are insured by the Federal Deposit Insurance Corporation (“FDIC”) as of the prior October. The security deposit interest rate is to be the average of at least five FDIC insured banks.

The Charter Amendment also requires that the security deposit interest be paid to tenants annually. If a tenant moves out of the rental unit before the payment of the interest, any accrued interest is to be paid when the security deposit is required to be returned to the tenant under State law, which requires landlords to return security deposits along with an itemized statement of any deductions within 21 days of the tenant vacating the rental unit.

**ANALYSIS**

Bhyv Consulting surveyed FDIC insured banks with branches in Pasadena to determine the interest rate paid on savings accounts as of October 1, 2022. Below is the information received. Not all banks could provide their interest rates for October 2022.

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>FDIC</th>
<th>Savings Account October 2, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chase Bank</td>
<td>Yes</td>
<td>.01%</td>
</tr>
<tr>
<td>City National Bank</td>
<td>Yes</td>
<td>.01%</td>
</tr>
<tr>
<td>Comerica Bank</td>
<td>Yes</td>
<td>.01%</td>
</tr>
<tr>
<td>Pacific Premier Bank</td>
<td>Yes</td>
<td>.01%</td>
</tr>
<tr>
<td>U.S. Bank</td>
<td>Yes</td>
<td>.01%</td>
</tr>
<tr>
<td>Wells Fargo Bank</td>
<td>Yes</td>
<td>.15%</td>
</tr>
<tr>
<td>American Plus Bank</td>
<td>Yes</td>
<td>.3%¹</td>
</tr>
<tr>
<td>First Foundation Bank</td>
<td>Yes</td>
<td>2.75%</td>
</tr>
<tr>
<td>BMO</td>
<td>Yes</td>
<td>unavailable</td>
</tr>
<tr>
<td>East West Bank</td>
<td>Yes</td>
<td>unavailable</td>
</tr>
<tr>
<td>First Citizens Bank</td>
<td>Yes</td>
<td>unavailable</td>
</tr>
<tr>
<td>Pacific Western Bank</td>
<td>Yes</td>
<td>unavailable</td>
</tr>
</tbody>
</table>

¹ On savings accounts under $10,000
The Regulations related to Security Deposits proposed for adoption would require that the Board use the five highest interest rates obtained to set the interest rates on security deposits. Based on that proposed regulation and the information above, the interest rate for security deposits for 2024 would be .64%.

The attached Regulations also establish timing for landlords to pay tenants the security deposit interest. The Charter Amendment requires that the interest be paid annually and sets an interest rate for a calendar year. The Regulations propose that landlords pay tenants the accrued interest no later than January 31\textsuperscript{st} of each year beginning January 31, 2025. The interest to be paid would be the amount accrued for the prior calendar year based on the interest rate set by the Board. Landlords could pay the interest either by check or as a rent credit. Landlords would be required to provide tenants with notice of the interest payment including how the interest amount was calculated.

If a tenant moves out prior to the end of the calendar year, the landlord would be required to pay the interest accrued on the Security Deposit within the State law required 21 days for return of security deposits along with a notice of how the interest amount was calculated.

**FISCAL IMPACT:**

The adoption of the security deposit interest is not expected to have a fiscal impact.

**ATTACHMENTS:**

Attachment A – A RESOLUTION OF THE PASADENA RENTAL HOUSING BOARD ADOPTING THE INTEREST RATE FOR SECURITY DEPOSITS FOR 2024 AND ADOPTING REGULATIONS RELATED TO SECURITY DEPOSITS
September 27, 2023

memorandum

To
Pasadena Rental Housing Board

From
Karen M. Tiedemann, General Counsel to the PRHB
Nazanin Salehi, General Counsel to the PRHB

RE
Adoption of Security Deposit Interest for 2024 and Regulations related to Security Deposits

RECOMMENDATION: It is recommended that the Pasadena Rental Housing Board approve the following:

1. Find that the proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3) (common sense exemption);

2. Resolution adopting the Interest Rate for Security Deposits for 2024 and adopting Regulations Related to Security Deposits

BACKGROUND

On November 8, 2022, the voters of the City of Pasadena (the “City”) voted to adopt Measure H, which amended the City’s Charter to impose rent control and just cause eviction protections. The Pasadena City Council ("City Council") adopted a resolution certifying the results of the November 8, 2022 election on December 12, 2022, and the charter amendment was thereafter filed with the California Secretary of State and took effect on December 22, 2022.

On April 19, 2023, the City Council appointed members to serve on the Pasadena Rental Housing Board ("Board") to administer City Charter Article XVIII, The Pasadena Fair and Equitable Housing Charter Amendment ("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. (See, generally, City Charter, art. XVIII, § 1811.) The Board held its first meeting on May 24, 2023.
The Charter Amendment gives the Board authority to establish rules and regulations for administration and enforcement of the Charter Amendment (City Charter, Art. XVIII, §1811(e)(2)).

The Charter Amendment requires that landlords pay interest annually on security deposits held for at least one year (City Charter, Art. XVIII, §1806(f)). The interest rate to be paid on security deposits is to be set by the Board every October and is applicable for the following calendar year. In setting the interest rate, the Board is required to survey the interest rates paid on savings accounts by at least five banks with branches in Pasadena that are insured by the Federal Deposit Insurance Corporation (“FDIC”) as of the prior October. The security deposit interest rate is to be the average of at least five FDIC insured banks.

The Charter Amendment also requires that the security deposit interest be paid to tenants annually. If a tenant moves out of the rental unit before the payment of the interest, any accrued interest is to be paid when the security deposit is required to be returned to the tenant under State law, which requires landlords to return security deposits along with an itemized statement of any deductions within 21 days of the tenant vacating the rental unit.

ANALYSIS

Bhyv Consulting surveyed FDIC insured banks with branches in Pasadena to determine the interest rate paid on savings accounts as of October 1, 2022. Below is the information received. Not all banks could provide their interest rates for October 2022.

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>FDIC</th>
<th>Savings Account October 2, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chase Bank</td>
<td>Yes</td>
<td>.01%</td>
</tr>
<tr>
<td>City National Bank</td>
<td>Yes</td>
<td>.01%</td>
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<tr>
<td>Comerica Bank</td>
<td>Yes</td>
<td>.01%</td>
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<tr>
<td>Pacific Premier Bank</td>
<td>Yes</td>
<td>.01%</td>
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<tr>
<td>U.S. Bank</td>
<td>Yes</td>
<td>.01%</td>
</tr>
<tr>
<td>Wells Fargo Bank</td>
<td>Yes</td>
<td>.15%</td>
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<tr>
<td>American Plus Bank</td>
<td>Yes</td>
<td>.3%1</td>
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<tr>
<td>First Foundation Bank</td>
<td>Yes</td>
<td>2.75%</td>
</tr>
<tr>
<td>BMO</td>
<td>Yes</td>
<td>unavailable</td>
</tr>
<tr>
<td>East West Bank</td>
<td>Yes</td>
<td>unavailable</td>
</tr>
<tr>
<td>First Citizens Bank</td>
<td>Yes</td>
<td>unavailable</td>
</tr>
<tr>
<td>Pacific Western Bank</td>
<td>Yes</td>
<td>unavailable</td>
</tr>
</tbody>
</table>

1 On savings accounts under $10,000
A RESOLUTION OF THE PASADENA RENTAL HOUSING BOARD ADOPTING THE INTEREST RATE FOR SECURITY DEPOSITS FOR 2024 AND ADOPTING REGULATIONS RELATED TO SECURITY DEPOSITS

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

WHEREAS, the Charter Amendment at Section 1806(f) requires that Landlords pay interest annually on all security deposits held for at least one year with the interest rate to be set annually by the Rental Housing Board (“Board”) every October; and

WHEREAS, the interest rate for security deposits is to be based on the average of the interest rates on savings accounts paid on October 1 of the previous year by at least five Federal Deposit Insurance Corporation (FDIC) insured banks with branches in Pasadena; and

WHEREAS, the Board surveyed FDIC insured banks with branches in Pasadena and determined the average interest rate paid on savings accounts as of October 1, 2022; and

WHEREAS, the Board held a publicly noticed meeting on September 27, 2023 and discussed and solicited public feedback on proposed regulations related to Security Deposit interest rates;

NOW, THEREFORE, BE IT RESOLVED by the Board that based on the survey of FDIC insured banks with branches in Pasadena that reported their savings account interest rates as of October 1, 2022, the interest on security deposits to be paid to Tenants during the 2024 year shall be .64%.

BE IT FURTHER RESOLVED by the Board that the regulations set forth in Exhibit A are hereby adopted.

The foregoing Resolution was adopted at a regular meeting of the Pasadena Rental Housing Board, duly held on the _____ day of September 2023, by the following vote:

AYES:
NOES:

ABSTAIN
ABSENT:

ATTEST:

__________________________  ____________________________
DESIREE ACOSTA           RYAN J. BELL
RECORDING SECRETARY      CHAIR, RENTAL HOUSING BOARD
BOARD
EXHIBIT A

PASADENA RENTAL HOUSING BOARD
REGULATIONS

SECURITY DEPOSIT INTEREST PAYMENTS

A. Purpose. The Pasadena Fair and Equitable Rent Charter Amendment ("Charter Amendment") seeks to promote neighborhood and community stability, healthy housing and affordability for Pasadena renters by regulating excessive rent increases and arbitrary evictions. The Charter Amendment at Section 1806(f) requires Landlords to pay interest annually on all Tenant Security Deposits held for at least one year at a rate of interest set each year by the Rental Board. The purpose of these regulations is to effectuate the intent of the Charter Amendment by establishing a process for the Rental Board to set the interest rate on Security Deposits and provide for the payment of that interest to Tenants each year. All defined terms used in these regulations that are not otherwise defined shall have the meaning set forth in the Charter Amendment.

B. Security Deposit Interest. Landlords shall pay interest on all Security Deposits held by the Landlord for Rental Units. The Rental Board shall establish the interest rate to be paid by Landlords on Tenant Security Deposits each year by conducting a survey of at least five (5) Federal Deposit Insurance Corporation ("FDIC") insured banks with branches in Pasadena to determine the interest rate paid on saving accounts as of October 1 of the prior year and shall average the five (5) highest interest rates. The Rental Board shall adopt the interest rate for each year no later than October 1 of each year, which interest rate will become effective on the following January 1 and remain in effect until December 31 of that year.

C. Payment of Security Deposit Interest. Landlords shall, no later than January 31st of each year, starting January 31st, 2025, pay to any Tenant for whom the Landlord is holding a Security Deposit, the interest earned on that Security Deposit for the prior calendar year, based on the interest rate adopted by the Rental Board applicable to the prior calendar year. Interest on Security Deposits may be paid by check or in the form of a rent credit, at the election of the Landlord. The Landlord shall include with the payment of any interest or notice of rent credit for interest earned on the Security Deposit a notice setting out the interest rate applied, and the calculation of the interest amount owed. In the event that a Tenant vacates the Rental Unit prior to receiving payment of any interest owned on the Tenant's Security Deposit, the Landlord shall pay any unpaid interest accruing from either the date that the Tenant paid the Security Deposit or the date of the last payment of interest within the timeframe required in California Civil Code Section 1950.5 for the return of Security Deposits and shall include in the itemized statement required by California Civil Code Section 1950.5 the interest rate applied and the calculation of the interest amount owed.
D. **Effective Date.** These Regulations shall go into effect immediately upon their adoption by the Rental Board.

E. **Partial Invalidity.** If any provision of these Regulations, or the application thereof to any person or circumstance, is held invalid, this invalidity shall not affect other provisions or applications of these Regulations that can be given effect without the invalid provision or application, and to this end, the provisions of the Regulation are declared to be severable. These Regulations shall be liberally construed to achieve the purposes of the Charter Amendment.