

Sabha, Tamer

To: Jomsky, Mark
Subject: RE: Public comment on agenda item 3, PRHB meeting 9/27

From: Simon Gibbons
Date: September 27, 2023 at 12:31:24 PM PDT
To: RentalBoard <RentalBoard@cityofpasadena.net>
Subject: Public comment on agenda item 3, PRHB meeting 9/27

I am against the proposed resolution on paying interest on security deposits in its current form.

The Charter Amendment clearly states in 1806(f) that *"The interest rate shall 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."*

However, Exhibit A, section B of the agenda item changes this language to *"shall average the five (5) highest interest rates"*. This leads to cherry-picking among interest rates, and an incorrect proposed interest rate for security deposits of 0.64%.

The correct calculation, as declared in the legally binding Charter Amendment, is to average the 8 interest rates that were found (*"at least five"*), which leads to an interest rate for security deposits of 0.41%

Changing the language of the Charter Amendment is in breach of the terms of the amendment itself, and exposes both the Pasadena Rental Housing Board and the City of Pasadena to legal risk. It also sets a dangerous precedent that suggests the Pasadena Rental Housing Board considers itself above the law.

Please correct both the language and the calculations in the resolution.

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