

PASADENA RENTAL BOARD  
SEPTEMBER 27, 2023

AGENDA ITEM 2: ADOPTION OF  
RESOLUTION ESTABLISHING RELOCATION  
ASSISTANCE AND SERVICES



# PURPOSE

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- Consider and adopt regulations establishing relocation assistance and relocation services to be provided by landlords to tenants displaced by no-fault evictions and large rent increases

# BACKGROUND

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- Charter Section 1806(a) prohibits landlords from terminating a tenancy without enumerating just cause
  - ▣ Four **no-fault** just causes: necessary and substantial repairs, owner move-in, withdrawal of the unit permanently from rental market, government order
- Charter Section 1806(b) requires landlord to provide Relocation Assistance to:
  - ▣ Tenants evicted based on no-fault just cause
  - ▣ Tenants displaced by inability to pay rent increase in excess of 5% + AGA

# DEFINITIONS

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- **Eligible Tenant Household**
  - ▣ Those displaced by no-fault eviction or qualifying rent increase
- **Special Circumstances Household:**
  - ▣ Eligible Tenant Household with at least one member who is (i) 60+ years, (ii) disabled, (iii) terminally ill, or (iv) legally dependent minor child
- **Fair Market Rent**
  - ▣ Average of Small Area Fair Market Rents (SAFMRs) for zip codes covering Pasadena (91101-91107)
- **Relocation Agency**
  - ▣ Relocation assistance specialist or agency hired by PRHB and paid for by the Landlord to assist with the relocation assistance process

# RELOCATION ASSISTANCE

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- Sum of the following:
  - ▣ Base Relocation Payment due to Eligible Tenant Household
  - ▣ Moving expense allowance due to Eligible Tenant Household
  - ▣ Additional payment of 3 times FMR for Special Circumstances Households
- Base Relocation Payment
  - ▣ 0-3 years: 3 months' FMR
  - ▣ 3-10 years: 4 months' FMR
  - ▣ 10+ years: 5 months' FMR
- Moving expense allowance same as City's Tenant Protection Ordinance

# 2023-2024 BASE PAYMENT SCHEDULE

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

# 2023-2024 MOVING EXPENSE ALLOWANCE

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Household Type	Moving Expense Allowance
Eligible Tenant Household (all adults)	\$1,536
Special Circumstances Household	\$4,634



# OTHER RELOCATION REQUIREMENTS

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- Full refund of security deposit within timeline in Civil Code Sec. 1950.5
- Unlimited access to a rental agency subscription
- Relocation advisory services of a Relocation Agency

# PROCESS FOR NO-FAULT EVICTIONS

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- Landlord must file **Notice of Intent** with PRHB at least 30 days before termination notice
- PRHB mails copy of Notice of Intent and **Tenant Claim Form** to Eligible Tenant Household within 15 days
- Payments
  - ▣ First payment: At least 50% made within 10 days of termination notice
  - ▣ Second payment: Remaining balance either (i) into escrow account or (ii) directly to tenant at least 28 days before expiration of notice

# PROCESS FOR LARGE RENT INCREASES

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- Tenant sends Landlord **Notice of Inability to Pay Rent Increase** within 30 days of receiving qualifying rent increase
- Tenant files copy with PRHB within 5 days of service on Landlord
- PRHB mails **Tenant Claim Form** within 15 days after Tenant filing
- Payments
  - ▣ First payment: At least 50% within 10 days of PRHB informing Landlord of total amount due
  - ▣ Second payment: Remaining balance no later than date Tenant vacates
- Tenant must return 50% of first payment if they do not vacate within 90 days of effective date of rent increase

# OTHER PROVISIONS

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- Voluntary Escrow Account
- Publication
  - ▣ PRHB will publish schedules no later than September 1 each year
  - ▣ Schedules effective October 1 through September 30 of following year
- Non-waivability
- Affirmative Defense
- **Regulations will be effective immediately upon adoption by PRHB**

# RECOMMENDATION

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- Adopt resolution of 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

AGENDA ITEM 3: ADOPTION OF  
RESOLUTION ESTABLISHING SECURITY  
DEPOSIT INTEREST RATE



# AGENDA ITEM 3- INTEREST ON SECURITY DEPOSITS

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## Section 1806(f)

- ❑ Security deposit cannot be increased as a condition of continued occupancy of a rental unit
- ❑ Landlord to pay interest on security deposit held for at least one year
- ❑ Interest rate to be adopted by the PRHB each year by October 1
- ❑ Interest rate to be based on average of interest rates on savings accounts paid on October 1 of previous year by at least five FDIC banks with branches in Pasadena
- ❑ Interest rate in effect from January 1st to December 31st of the next year
- ❑ PRHB to adopt interest rate at meeting on September 27th

# INTEREST ON SECURITY DEPOSITS

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Bank Name	FDIC	Savings Account October 2, 2022
Chase Bank	Yes	.01%
City National Bank	Yes	.01%
Comerica Bank	Yes	.01%
Pacific Premier Bank	Yes	.01%
U.S. Bank	Yes	.01%
Wells Fargo Bank	Yes	.15%
American Plus Bank	Yes	.3%
First Foundation Bank	Yes	2.75%
BMO	Yes	unavailable
East West Bank	Yes	unavailable
First Citizens Bank	Yes	unavailable
Pacific Western Bank	Yes	unavailable



# INTEREST ON SECURITY DEPOSITS

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- Interest rate for 2024:

**.64%**

# INTEREST ON SECURITY DEPOSITS

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- Regulations:
  - ▣ PRHB to use the five highest interest rates
  - ▣ Interest for prior calendar year to be paid to the tenant on January 31<sup>st</sup>
  - ▣ Interest can be paid in form a check or a rent credit
  - ▣ Landlord must provide notice of how interest was calculated