

PASADENA RENTAL BOARD

APRIL 10, 2024

Agenda Item No. 2: Regulations Addressing Permitting

AGENDA ITEM NO. 2: PURPOSE

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To adopt a resolution of the Pasadena Rental Housing Board adopting an amendment to Chapter 4 (Just Cause for Eviction) of the Pasadena Rental Housing Board Regulations to address issues related to permits in Sections 1806(a)(8) and 1806(a)(10) of Article XVIII of the City Charter.

BACKGROUND

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- Necessary and substantial repairs
 - ▣ Landlord may evict Tenant to undertake substantial repairs necessary to bring unit into compliance with habitability laws
 - ▣ Must obtain all necessary permits from the City before terminating tenancy
 - ▣ City must independently verify that repairs are of the type that require tenant to vacate for at least 30 days
- No definition of “necessary permits”
- No specification of official responsible for verification of repairs

BACKGROUND

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- Withdrawal of unit permanently from rental market
 - ▣ Landlord may evict Tenant where Landlord plans to withdraw all rental units on the property from the rental market
 - ▣ If Landlord plans to demolish the rental units, Landlord must receive all needed permits from City before serving eviction notice
- No definition of “needed” permits
- City’s Planning and Community Development Department does not issue demolition permits before all tenants have vacated
 - ▣ But Tenants cannot be evicted unless Landlord first has all needed repairs

PROPOSED REGULATIONS

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- **Provide definition of “necessary” and “needed” permits**
 - Any permit(s) that the City of Pasadena’s Planning & Community Development Department, or other City department, normally issues prior to requiring the shut off of utilities to the Property and/or vacation of Property by all occupants
- However, there are some scenarios where there are **NO** permits that can be issued before property is vacated

PROPOSED REGULATIONS

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□ **In-Lieu Permit**

- Where there are no permits that can be obtained, Landlord can submit a Request for In-Lieu Permit to Rent Stabilization Department
- Will be on form provided by the Department
- Request shall include:
 - Project information
 - Landlord declaration
 - Verification statement (from City)
- Department staff will review within 20 days of receipt of request
 - If complete, will issue in-lieu permit 10 days after completing review
 - If incomplete, will inform landlord and timeline will restart

PROPOSED REGULATIONS

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- In-Lieu Permit will satisfy requirements of Charter Amendment
- Board's or Department's failure to act in time with deadlines in the regulations does not automatically grant in-lieu permit or give landlord right to terminate tenancy without permits
- Regardless of type of permit, Landlord will include copy with termination of tenancy notice served on tenant

UPDATES TO PROPOSED REGULATIONS

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- One change was made to proposed regulations
 - ▣ Previously regulations provided that City's confirmation of whether repairs to be undertaken necessitate Tenant to vacate Rental Unit for period of not less than 30 days would be done via Verification Statement
 - ▣ However, this verification must be done regardless of whether Landlord receives "necessary" permit(s) or an In-Lieu Permit
 - ▣ Therefore, this verification is now standalone requirement

AGENDA ITEM NO. 2: RECOMMENDATION

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- Adopt a resolution of the Pasadena Rental Housing Board adopting an amendment to Chapter 4 (Just Cause for Eviction) of the Pasadena Rental Housing Board Regulations to address issues related to permits in Sections 1806(a)(8) and 1806(a)(10) of Article XVIII of the City Charter.

PASADENA RENTAL BOARD

APRIL 10, 2024

Agenda Item No. 3: Purpose and Procedures for Charter Changes

AGENDA ITEM NO. 3: PURPOSE

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- To adopt a resolution of the Pasadena Rental Housing Board establishing a purpose and procedures for reviewing and recommending amendments to the Pasadena Fair and Equitable Charter Amendment (Article XVIII).

BACKGROUND

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- Pasadena Fair and Equitable Charter Amendment went into effect on December 22, 2022
- Charter Amendment was reformed by LA Superior Court to address provisions preempted by state law in decision issued in *California Apartment Association, et al. v. City of Pasadena, et al.* (LASC Case No. 22STCP043076)
 - ▣ Reformed provisions need technical amendments to address Court's decision and conform Charter Amendment to state law

BACKGROUND, CONT'D.

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- Rental Housing Board and Rent Stabilization Department have been made aware of other areas of Charter Amendment that would benefit from further clarification or minor changes
- City of Pasadena is preparing certain technical amendments to the City Charter (unrelated to Article XVIII)
 - ▣ Will be submitted to voters during the November 5, 2024 General Municipal Election
 - ▣ Board has expressed interest in addressing some minor changes to the Charter Amendment through this process

PROPOSED RESOLUTION

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- Establish that Board's purpose in considering amendments is not to enact sweeping changes or overhaul Charter Amendment scheme
- Establish Board's purpose is to further the existing purpose of the Charter Amendment itself

SECTION 1801: "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."

PROPOSED RESOLUTION

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- Establish factors for the Board and Policy Ad Hoc Committee to apply to any recommended amendments:
 - ▣ Seeks to replace language that was stricken as invalid by the court decision
 - ▣ Seeks to clarify an area of ambiguity in the Charter Amendment that cannot be resolved via regulation
 - ▣ Seeks to bring the requirements of the Charter Amendment into alignment with the existing practices of other City departments and/or the practical operations of the rental housing market
 - ▣ Would reduce any of the following: (a) administrative burden; (b) financial costs; or (c) legal liability of the either or both the Board and/or the Department

PROPOSED RESOLUTION

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- Establish mitigating factors to determine whether amendment's utility is undermined by its other impacts such as:
 - ▣ Would likely make the Charter Amendment more difficult to enforce and/or implement
 - ▣ Would have the effect of undermining, eliminating or fundamentally altering one or more material provisions of the Charter Amendment
 - ▣ Would make it more difficult for the Board or the Department to regulate excessive rent increases and/or arbitrary evictions
 - ▣ Would likely make it more difficult for the Board or the Department to ensure Landlord's a fair rate of return on their rental property
 - ▣ Would increase any of the following: (a) administrative burden; (b) financial costs; or (c) legal liability of the either or both the Board and/or the Department

PROPOSED RESOLUTION

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- Establish procedures to be followed by Board and Policy Ad Hoc
 1. Collect all suggested amendments by April 12, 2024
 2. Policy Ad Hoc will review all suggested amendments by April 23, 2024
 - Will compile recommendations into report that includes list of all suggestions received, whether being recommended or not, and proposed ballot language for changes being recommended
 3. Full Board review and public comment on Committee's report at May 8, 2024 Board meeting
 4. Full Board vote on final recommendations at May 22, 2024 Board meeting

PROPOSED RESOLUTION

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5. Board's recommendations presented to City Council at June 3, 2024 City Council meeting
 - City Council's Task Force on Charter Amendments is scheduled to present its recommendations at this meeting as well
6. City Council vote on Board recommendations at June 17, 2024 City Council meeting

AGENDA ITEM NO. 3: RECOMMENDATION

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- Adopt a resolution of the Pasadena Rental Housing Board establishing a purpose and procedures for reviewing and recommending amendments to the Pasadena Fair and Equitable Charter Amendment (Article XVIII).