

PASADENA RENTAL BOARD

APRIL 24, 2024

Agenda Item No. 1: Regulations Addressing Permitting

AGENDA ITEM NO. 1: 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 specification of how verification of repairs will take place

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

UPDATES TO PROPOSED REGULATIONS

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- Changes were made after additional discussions with the City's Planning & Community Development Department
 - ▣ Removed definition of “necessary” and “needed” permits because permitting issue will likely only arise in case of demolition
 - ▣ In-Lieu Permit process will be available where Landlord cannot get a demolition permit from the City
 - ▣ Confirmation of Substantial Repairs requirement added to ensure determination is memorialized and Landlords can easily demonstrate they have received the required confirmation from the City

AGENDA ITEM NO. 1: 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

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Agenda Item No. 2: Regulations Re Section 8 Housing

AGENDA ITEM NO. 2: PURPOSE

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To provide PRHB with background and information on potential regulations regarding Section 8 Housing.

MEASURE H PURPOSE

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- The purpose of the Pasadena Fair and Equitable Housing Charter 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 possible under California law while ensuring Landlords a fair return on their investment and guaranteeing fair protections for rents, homeowners and businesses (Section 1801)

BACKGROUND

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- Measure H Exemptions (Section 1804(a)(4))
 - “Rental Units which a government unit, agency or authority owns, operates, or manages, or in which government-subsidized Tenants reside, **if applicable federal or state law or administrative regulations specifically exempt such units from municipal rent control**” are exempt from both rent stabilization and just cause for eviction.
- There are no laws or regulations exempting Section 8 tenancies from municipal rent control or just cause so this exemption does not apply

BACKGROUND

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□ **Section 8 Vouchers/ Housing Choice Vouchers**

- ▣ Rental subsidy program financed by the U.S. Department of Housing and Urban Development (HUD) and administered by local housing authorities
- ▣ Tenants receive a voucher from the local housing authority providing a rent subsidy
- ▣ Tenant is responsible for finding housing that will accept voucher
- ▣ Tenant typically pays no more than 30% of income toward rent while housing authority pays remaining amount of rent

BACKGROUND

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- **Section 8 Vouchers/Housing Choice Vouchers**
 - ▣ Tenant signs standard lease agreement with Landlord
 - ▣ Landlord and Tenant also sign a Housing Assistance Plan (HAP) Contract which commits the housing authority to pay the portion of the rent that exceeds the Tenant's portion of the rent
 - ▣ HUD sets payment standards (i.e., maximum subsidy amount) for rental units that are subsidized with Vouchers

SECTION 8 RENTS

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	Actual Average	Actual Mean	Payment Standard
Studio	\$1,493	\$1,462	\$1,955
1-bed	\$1,648	\$1,700	\$2,207
2-bed	\$1,795	\$1,790	\$2,798
3-bed	\$2,324	\$2,363	\$3,589
4-bed	\$2,650	\$2,250	\$3,600

PRHB AUTHORITY

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- PRHB Powers and Duties (Section 1811(e))
 - ▣ Set allowable Rent Increases at fair and equitable levels to achieve the purposes of the Charter Amendment
 - ▣ Establish rules and regulations for administration and enforcement of the Charter Amendment
 - ▣ Any other duties necessary to administer and enforce the Charter Amendment

OPTIONS FOR REGULATIONS

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- Exempt Landlords renting to Section 8 Tenants from the rollback requirements
 - ▣ Rationale – many Section 8 landlords were confused by the language of Measure H regarding exemptions and may not have rolled back rents
 - ▣ Rollback would primarily benefit the Housing Authority and not the tenants since regardless of total rent, the tenant payment would remain at set percentage of tenant income
 - ▣ Section 8 Tenants are already protected from rent increase by the nature of the program
 - ▣ Section 8 Tenants would retain civil rights under Measure H