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**Sent:** Tuesday, December 19, 2023 10:07 AM  
**To:** cityclerk <cityclerk@cityofpasadena.net>; PublicComment-AutoResponse <publiccomment@cityofpasadena.net>; RentalBoard <RentalBoard@cityofpasadena.net>  
**Cc:** Adam Bray-Ali <adam@propertybyadam.com>  
**Subject:** General public comment for Pasadena Rental Housing Board December 20, 2023

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Good afternoon.

At recent Pasadena Rental Housing Board meetings, member Allison Henry and Chairman Bell have repeatedly stated that the city of Pasadena used ARPA funds to start up the RHB and that those funds will not be required to be paid back to the city but 'may be requested' by the city. As of this morning, the meeting records for the past several meetings are not available online but I was in person as this discussion took place on December 6th.

The wording of Measure H and the promises made by the proponents of the Measure were that all funds for this new Board would be paid for only by rental property owners. In the text of Measure H, Chapter 18.11 (k)1, the statement includes a section of how start up funds and any requests are to be made to the city of Pasadena and it does include the language of 'may seek reimbursement' but the language of the city of Pasadena's budget summary for 2023-2024 explicitly states that they expect to be repaid the \$500,000 advanced in mid-2023. (screenshots attached below)

I request that the City Attorney and the RHB outside attorney address this discrepancy in the sourcing and payment of the budget for the Rental Housing Board. As we passed the one year mark of this becoming law in Pasadena and the costs are coming into clear view, it is unfair to the citizens of Pasadena to implement a tax without sufficient votes on the general funds and federal support funds without clarity and explanation.

Members of the RHB stating that they believe there is a source of 'free money' to pay for their budget decisions undermines the credibility of this Board and is not fair or equitable to those that are about to receive the \$6,000,000+ bill from their decisions or the citizens of Pasadena who may have better use for these one time funds from the Federal government.

Thank you,  
Adam Bray-Ali

### City of Pasadena Budget Statement related to American Rescue Plan Act (ARPA)

In March 2021, Congress passed—and the President signed into law—the American Rescue Plan Act (ARPA), a \$1.9 trillion-dollar economic stimulus. ARPA provided direct funding for local governments (\$360 billion) along with programmatic funding for efforts relating to homeless, rental assistance, public transit, and utility assistance. Based upon the modified Community Development Block Grant allocation methodology being used to allocate direct ARPA funding, Pasadena received \$52.2 million in direct support. In FY 2022 and 2023, the City Council committed approximately \$32 million of these funds to, among other things: (1) offset revenue losses, (2) fund critical capital improvement projects, (3) provide funds for the acquisition of affordable housing, (4) expand housing services, and (5) bolster the City’s public health services regarding COVID-19 response and health equity.

ADOPTED OPERATING BUDGET

7

FISCAL YEAR 2024

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CITY OF PASADENA

CITY MANAGER'S TRANSMITTAL LETTER

The following is an outline of the recommended spending plan for the remaining funds:

- Pasadena voters approved Measure H in November 2022, a charter amendment that established the Rental Housing Board (Board) and rent control for eligible properties. The City Council appropriated \$500,000 of ARPA funds in May 2023 as start-up funding for the Board with the expectation that, like the City of Mountain View, we will be able to recoup expenses quickly. However, the City is prepared to provide additional start-up funding as necessary using ARPA dollars.

**Text of Measure H chapter 18.11 (K) 1**

- (l) **Financing.** The Rental Board shall finance its reasonable and necessary expenses, including without limitation engaging any staff as necessary to ensure implementation of this Article, by charging Landlords an annual Rental Housing Fee as set forth herein, in amounts deemed reasonable by the Rental Board in accordance with applicable law. The Rental Board is also empowered to request and receive funding when and if necessary from any available source, including the City of Pasadena, for its reasonable and necessary expenses.
- (1) **Rental Housing Fee.** All Landlords shall pay a Rental Housing Fee on an annual basis. The first Rental Board convened after the effective date of this Article shall determine the amount of the Rental Housing Fee. The amount of the Rental Housing Fee may differ between Rental Units subject to the entirety of this Article and those that are partially exempt. The Rental Board may adjust the amount of the Rental Housing Fee at its discretion to ensure full funding of its reasonable and necessary expenses, in accordance with all applicable law.
- (A) **Pass-Through to Tenants.** No portion of the Rental Housing Fee may be passed through to Tenants. The Rental Housing Fee may be claimed as an operating expense for the purpose of a Petition for Individual Rent Adjustment.

- (2) **City to Advance Initial Funds.** During the initial implementation of this Article, the City shall advance all necessary funds to ensure the effective implementation of this Article, until the Rental Board has collected Rental Housing Fees sufficient to support the implementation of this Article. The City may seek reimbursement of any advanced funds from the Rental Board after the Rental Housing Fee has been collected. Reimbursement of the City shall not take precedent over the normal and reasonable operating costs of the Rental Board.

Adam Bray-Ali

Coldwell Banker Residential Brokerage