

**PASADENA RENTAL HOUSING BOARD
RESOLUTION NO. RHB-2023-07**

**A RESOLUTION OF THE PASADENA RENTAL HOUSING BOARD ADOPTING
INTERIM REGULATIONS REGARDING THE WITHHOLDING OF RENT FOR FAILURE
TO ROLLBACK RENT**

WHEREAS, the Pasadena Fair and Equitable Charter Amendment (“Charter Amendment”) Section 1807(a) provides that upon the effective date of the Charter Amendment, “no Landlord shall charge Rent for a Covered Rental Unit in an amount that exceeds the sum of the Base Rent plus any lawful Rent increases actually implemented pursuant to” the Charter Amendment;

WHEREAS, Charter Amendment Section 1803(c) provides that the “Base Rent shall be either the Rent in effect on May 17, 2021 for those tenancies commencing before or on May 17, 2021, or the rental rate paid by the Tenant upon initial occupancy for those tenancies commencing after May 17, 2021, provided that amount is not in violation of” the Charter Amendment or any other provision of state law;

WHEREAS, the Charter Amendment went into effect on December 22, 2022; and

WHEREAS, Landlords of Covered Rental Units were required to roll back the Rent for all Covered Rental Units to the Base Rent upon the effective date of the Charter Amendment;

WHEREAS, Tenants of Covered Rental Units have reported to members of the Rental Housing Board that their Landlords have not complied with the requirement to roll back their Rent to the Base Rent and that they continue to pay an unlawful Rent;

WHEREAS, Charter Amendment Section 1811(e)(2) authorizes the Rental Housing Board to establish rules and regulations necessary for the administration and enforcement of the provisions of the Charter Amendment;

WHEREAS, the Rental Housing Board held a publicly noticed meeting on August 23, 2023 and discussed and solicited public feedback on self-help remedies for Tenants whose Landlords remain out of compliance with the requirement to roll back Rent;

NOW, THEREFORE, BE IT RESOLVED by the Pasadena Rental Housing Board that the interim regulations set forth in Exhibit A are hereby adopted.

The foregoing Resolution was adopted at a Regular Meeting of the Pasadena Rental Housing Board, duly held on the 23rd day of August, 2023, by the following vote:

AYES: Board Members Dunlop, Gonzalez, Henry, Najera, Pitts, Chavez, Siegal, Santiago, Torres, Alternate Member Markowitz, Chair Bell

NOES: None

ABSTAIN: None

ABSENT: Vice Chair Lamar



DESIREE ACOSTA
BOARD SECRETARY



RYAN J. BELL
CHAIR, RENTAL HOUSING BOARD

Exhibit A: Interim Regulations – Rent Withholding for Failure to Rollback Rent

EXHIBIT A

PASADENA RENTAL HOUSING BOARD INTERIM REGULATIONS

RENT WITHHOLDING FOR FAILURE TO ROLLBACK RENT

- A. Purpose.** The Pasadena Fair and Equitable Rent Charter Amendment (“Charter Amendment”) seeks to promote neighborhood and community stability, healthy housing and affordability for Pasadena renters by regulating excessive rent increases. The Charter Amendment authorizes Landlords to seek rent increases via the Annual General Adjustment (“AGA”), as identified in Charter Section 1808(b). The AGA may only be imposed on the Base Rent, which is defined as “either the Rent in effect on May 17, 2021, for those tenancies commencing on or before May 17, 2021, or the rental rate paid by the Tenant upon initial occupancy for those tenancies commencing after May 17, 2021....,” by Charter Section 1803(c). As such, upon the effective date of the Charter Amendment (December 22, 2022), Landlords of Covered Rental Units were required to rollback the Rent to the Base Rent. The purpose of these interim regulations is to effectuate the intent of the Charter Amendment by providing a self-help remedy to Tenants of Covered Rental Units whose Landlords have failed to rollback the Rent in violation of the requirements of the Charter Amendment.
- B. Authorization to Withhold Rent.** A Tenant of a Covered Rental Unit whose Landlord has failed to roll back the Rent, in accordance with the requirements of the Charter Amendment, and who has met all the requirements of Section C below, is hereby authorized to withhold the lesser of one hundred percent (100%) of the total monthly rent or one hundred percent (100%) of the portion of the Rent that is being overcharged by their Landlord plus the total amount the Tenant has overpaid since the Effective Date of the Charter Amendment until their Landlord complies with the Rent rollback requirements.
- 1. Late Fees and Penalties.** A Landlord shall not charge any late fees or penalties to a Tenant who exercises the option to withhold Rent pursuant to this Section B, so long as the Tenant has not withheld more than total amount overpaid by the Tenant since the Effective Date of the Charter Amendment.
- C. Procedure for Rent Withholding.**
- 1. Request for Rent Rollback.** A Tenant who seeks to use the remedy provided for by these regulations shall provide their Landlord with a written “Request for Rent Rollback,” on a form provided by the Rental Housing Board. The “Request for Rent Rollback” shall provide the Landlord with ten (10) calendar days to roll back the Rent as required by the Charter Amendment, to provide written notice of such Rent rollback to the Tenant

and to issue a refund to the Tenant for the total amount of overcharged Rent collected since the Effective Date of the Charter Amendment. The Tenant shall serve the "Request for Rent Rollback" in accordance with any of the methods of notice authorized by the Rental Housing Agreement for the Covered Rental Unit.

2. **Notice of Rent Withholding.** If a Landlord fails to roll back the Rent for a Covered Rental Unit after the expiration of the Tenant's written Request for Rent Rollback, the Tenant shall provide the Landlord with a written "Notice of Rent Withholding," on a form provided by the Rental Housing Board. The "Notice of Rent Withholding" shall inform the Landlord of the first month for which the Tenant intends to withhold payment of Rent. The Tenant shall serve the "Notice of Rent Withholding" in accordance with any of the methods of notice authorized by the Rental Housing Agreement for the Covered Rental Unit.
3. **Filing Required.** Within five (5) days after service of the Notice of Rent Withholding on the Landlord or within five (5) days after the first payment of Rent is withheld by the Tenant, whichever is later, the Tenant shall file with the Rental Housing Board, or its designee, a copy of the Request for Rent Rollback and a copy of the Notice of Rent Withholding. The Rental Board, or its designee, shall mail a copy of all documents filed by the Tenant with the Board to the Landlord within ten (10) days of receipt.

D. Affirmative Defense. In accordance with the authorization in Charter Amendment Section 1817(d), a Tenant who has followed the procedures set forth in these Regulations and who has not withheld more than total amount overpaid by the Tenant since the Effective Date of the Charter Amendment shall have an affirmative defense to an unlawful detainer or other action brought by the Landlord to recover possession of the Rental Unit based on the Tenant's withholding of Rent.

E. Non-Exclusive Remedy. The remedy provided for in these Regulations is not exclusive of, but rather in addition to, any remedies available pursuant to the Charter Amendment or at law, including a civil action by the Tenant for damages of excess rent.

F. Effective Date. These Regulations, including the rent withholding remedy provided for herein, shall go into effect on September 1, 2023.

G. Partial Invalidity. If any provision of these Regulations, or the application thereof to any person or circumstance, is held invalid, this invalidity shall not affect other provisions or applications of these Regulations that can be given effect without the invalid provision or application, and to this end, the provisions of the Regulation are declared to be severable. These Regulations shall be liberally construed to achieve the purposes of the Charter Amendment.