

CHARTER

OF THE
CITY OF PASADENA, CALIFORNIA

ADOPTED

January 29, 1901

AMENDED

February 16, 1905

March 3, 1909

January 21, 1913

April 29, 1919

May 16, 1921

May 18, 1923

January 17, 1927

January 16, 1931

January 11, 1933

January 17, 1935

April 30, 1937

January 10, 1939

May 2, 1939

January 16, 1941

January 26, 1943

March 23, 1945

March 24, 1947

April 13, 1949

January 23, 1951

March 29, 1951

March 27, 1953

March 17, 1954

January 13, 1955

January 19, 1961

January 14, 1963

January 12, 1965

May 10, 1966

July 9, 1968 (Revised)

July 1, 1969

July 17, 1970

January 14, 1971

July 21, 1972

July 1, 1973

August 1, 1976

July 1, 1977

May 1, 1979

October 10, 1980

January 1, 1981

July 9, 1984

December 17, 1984

January 7, 1987

June 5, 1991

March 9, 1993

March 7, 1995

March 4, 1997

November 3, 1998

November 7, 2000

March 6, 2001

March 4, 2003

November 7, 2006

June 5, 2012

June 5, 2018

November 3, 2020

November 8, 2022

March 5, 2024

November 5, 2024

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**CHARTER OF THE
CITY OF PASADENA, CALIFORNIA**

ARTICLE I - NAME AND BOUNDARIES

Section 101. - NAME.

The City of Pasadena shall continue to be a municipal corporation under its present name, "City of Pasadena."

Section 102. - BOUNDARIES.

The boundaries of the City shall be the boundaries as established when this Charter takes effect, or as they may be changed thereafter in the manner authorized by law.

ARTICLE II - SUCCESSION

Section 201. - RIGHTS AND LIABILITIES OF THE CITY.

The City of Pasadena shall continue to own, possess, and control all rights and property of every kind and nature, owned, possessed or controlled by it when this Charter takes effect and shall be subject to all its debts, obligations, liabilities, and duties.

Section 202. - RIGHTS OF OFFICERS AND EMPLOYEES.

Nothing in this Charter, except as specifically provided, shall affect or impair the tenure, pension, retirement rights, or privileges of officers and employees of the City, or of any office, department, or agency thereof, existing when this Charter takes effect.

Section 203. - CONTINUATION OF ORDINANCES.

All ordinances, resolutions, rules, and regulations, or portions thereof, in force when this Charter takes effect, and not in conflict herewith, hereby are continued in force until amended, repealed or superseded.

Section 204. - CONTINUATION OF PRESENT OFFICERS AND EMPLOYEES.

All officers and employees in office or employed when this Charter takes effect shall continue to hold office and exercise their respective duties under the terms of this Charter.

Section 205. - CONTINUANCE OF CONTRACTS, PUBLIC IMPROVEMENTS, AND PROCEEDINGS.

All rights, claims, actions, orders, contracts, public improvements, and legal or administrative proceedings shall continue except as modified pursuant to the provisions of this Charter and in each case shall be maintained, carried on, or dealt with by the city department, office, or agency appropriate under this Charter.

Section 206. - EFFECTIVE DATE OF CHARTER.

This Charter shall take effect when the resolution of the Legislature approving this Charter is filed with the Secretary of State.

ARTICLE III - POWERS OF THE CITY

Section 301. - GENERAL POWERS.

The City shall have the power to make and enforce all laws and regulations in respect to municipal affairs, subject only to the restrictions and limitations provided in this Charter and in the Constitution of the State of California. It shall have the power to exercise any and all rights, powers, and privileges heretofore or hereafter granted or prescribed by general laws of the State, or by other lawful authority, or which a municipal corporation might or could exercise under the Constitution of the State of California.

Section 302. - LICENSING POWER.

The City shall have the power to license for the purpose of revenue or regulation, or both, every kind of lawful business transacted in the City and fix the license tax therefor.

Section 303. - JOINT POWERS.

The City shall have the power to contract with any governmental entity or regulated public utility, both inside and outside the city limits, to perform such services or to acquire, construct, or administer jointly such public works, public utilities, or other facilities as are beneficial to its citizens or the consumers of its utilities.

Section 304. - PROCEDURES.

The City shall have the power and may act pursuant to any procedure established by the general laws of the State, unless a different procedure is established by ordinance.

Section 305. - LIMITATION ON POWER.

The enumeration of powers in this Charter shall not be held to be exclusive of or any limitation upon the general powers stated in Section 301 of this Charter.

ARTICLE IV - THE CITY COUNCIL

Section 401. - NUMBER AND TERM.

- A. There shall be a City Council consisting of a Mayor and seven Councilmembers. The seven Councilmembers shall be nominated and elected by district as provided in this Charter. Except as otherwise provided in this Charter, the term of office of the Mayor and Councilmembers shall be four years.
- B. Beginning in the year 2020, the terms of office of the Mayor and Councilmembers elected from Districts 1, 2, 4, and 6 shall commence in the year 2020 and in each fourth anniversary of the year 2020, and the terms of office of the Councilmembers elected from Districts 3, 5, and 7 shall commence in the year 2022 and in each fourth anniversary of the year 2022. The terms of office of the Mayor and Councilmembers shall commence at the time of the City's organizational meeting held on the fifth Monday following the statewide general election and until their respective successors are elected and have duly qualified.
- C. No person may serve more than three consecutive elected terms of office as a Councilmember. Following a period of hiatus of not less than four years away from that elected City Council District office, a person may serve an additional two terms in that elected District office as Councilmember. In no event shall any person serve more than five terms in the same elected office of Councilmember. Any term of elected service of two years or more shall be considered a full term for purposes of this section. The limitation on the number of elected terms shall apply only to terms of office that begin after January 1, 2025.
- D. No person may serve more than three consecutive elected terms of office as Mayor. Following a period of hiatus of not less than four years away from the elected office of Mayor, a person may serve an additional two terms in the elected office of Mayor. In no event shall any person serve more than five terms in the elected office of Mayor. Any term of elected service of two years or more shall be considered a full term for purposes of this section. The limitation on the number of elected terms shall apply only to terms of office that begin after January 1, 2025.

(Sec. 401 amended by vote of the people 11-5-2024; Sec. 401 amended by vote of the people 6-5-2018; Sec. 401 amended by vote of the people 11-3-1998; Sec. 401 amended by vote of the people 3-9-1993; Sec. 401 amended by vote of the people 11-4-1980, effective January 1, 1981.)

Section 402. - ELIGIBILITY.

The Mayor and each Councilmember shall be a qualified elector of the City. Each Councilmember shall be a resident of the district from which the Member is elected or appointed.

(Sec. 402 amended by vote of the people 11-5-2024; Sec. 402 amended by vote of the people 11-3-1998;

Sec. 402 amended by vote of the people 3-9-1993: Sec. 402 amended by vote of the people 6-8-1976, effective August 1, 1976.)

Section 403. - VACANCY DEFINED.

If the Mayor shall cease to be a resident of the City or if any Councilmember shall cease to be a resident of the district, respectively, from which elected or appointed, or if either the Mayor or any Councilmember shall be absent without permission of the City Council from all regular City Council meetings within a period of 60 consecutive days from the last regular meeting attended, shall resign, shall be adjudged legally incompetent, shall be deceased, or shall be otherwise barred from holding office by reason of state or federal law, that office shall thereupon be declared vacant by a majority vote of the City Council.

(Sec. 403 amended by vote of the people 11-5-2024: Sec. 403 amended by vote of the people 11-3-1998: Sec. 403 amended by vote of the people 3-9-1993: Sec. 403 amended by vote of the people 11-4-1980, effective January 1, 1981.)

Section 404. - VACANCY—APPOINTMENT OR SPECIAL ELECTION.

If a vacancy occurs in the office of Mayor, the remaining members of the City Council shall, after the declaration of vacancy, elect an Acting Mayor from among the remaining members of the City Council. The Acting Mayor shall assume the duties of the office of Mayor until the office shall be filled at the next primary or general municipal election. The assumption of the duties of the Mayor shall not require that the Acting Mayor relinquish his or her seat as a Councilmember elected or appointed from a district. The unexpired term of Mayor shall be filled at either the primary or general municipal election, upon certification of the election results where one candidate receives a majority of the votes cast to fill the vacant Mayoral office, consistent with City Charter Section 1204 If a vacancy occurs among any member of the City Council that represents a City Council District, and less than two years remain on the unexpired term for that office, the remaining members of the City Council shall within 75 days after the declaration of the vacancy, appoint a qualified resident voter of the unrepresented City Council District who shall hold office until the office is filled at the next general or special municipal election. Any person seeking an appointment to a City Council District vacancy shall be a resident of the City for not less than thirty (30) days immediately preceding the declaration of the vacancy. The City Council shall adopt by ordinance the process to fill vacancies for City Council District offices.

If two or more years remain on the unexpired term, or if the City Council cannot agree on one person to fill the vacancy within 75 days of the declaration of the vacancy, the office shall be filled by special election. The special election shall be called by the remaining members of the City Council within thirty (30) days of the declaration of the vacancy, or at the next regular meeting of the City Council following

the expiration of the 75-day deadline. The special election shall be held on the next regularly established primary municipal, general municipal, district, county, or state election date not less than 114 days from the call of the special election, unless the City Council chooses to call a special election at an earlier point in time. The unexpired term shall be filled in either the primary or general special election, upon certification of the election results where one candidate receives a majority of the votes cast for the vacant office, consistent with City Charter Section 1204.

Nothing herein provided shall limit the power of the City Council to provide by ordinance for the continuity of the City Government in the event of war, enemy-caused disaster, or common accident in which a majority of the members of the City Council are killed, missing, or injured so as to be unable to perform their duties.

(Sec. 404 amended by vote of the people 11-5-2024; Sec. 404 amended by vote of the people 11-3-1998; Sec. 404 amended by vote of the people 3-9-1993.)

Section 405. - COMPENSATION.

Pursuant to an ordinance adopted by the City Council authorizing the formation of a Committee on City Councilmembers' Compensation ("the Committee"), each member of the City Council shall nominate one person to the Committee, subject to the approval of the City Council. The duties of the Committee shall be to study, take public input, and make recommendations regarding the compensation paid to members of the City Council and benefits to which the members of the City Council are entitled including, but not limited to, insurance, expense allowances and reimbursement. The Committee shall be convened not less than once every five years.

Each member of the Committee shall be an elector of the City. In making their nominations, City Councilmembers shall consider persons recommended by representatives of the fields of higher education, labor, business, and organizations reflecting the diversity of the City. No person shall be eligible for membership on the Committee who is, or within five years prior to his or her appointment was, an officer or employee of the City; or who has, within five years prior to his or her appointment, had any personal or business-related contractual relation with the City.

The nominee of the Mayor shall act as temporary chair of the Committee, with the power to fix the time and place of the Committee's first meeting. At such meeting, the Committee shall elect a Chair and a Vice-Chair and shall adopt such rules as it deems necessary to conduct its business. The provisions of the Ralph M. Brown Act shall govern the conduct of meetings of the Committee. Records of the Committee shall be maintained as public records as provided by State law. The Committee shall gather such information as it deems necessary to complete its duties, and prior to making its recommendation, shall hold at least one duly noticed public hearing for the purpose of seeking public input. The City Manager shall provide office space, staff assistance and supplies for the work of the Committee. Committee

members shall serve without compensation, other than reimbursement for reasonable expenses pursuant to City ordinance.

Not later than October 1 of the year the Committee is appointed, the Committee shall submit to the City Council a report adopted by a majority of the members of the Committee recommending either that no change be made in the compensation paid to members of the City Council, or that change, either an increase or a decrease, be made and the amount thereof. If such report is not timely submitted or is not adopted by a majority of the members of the Committee, the Committee's recommendation shall be deemed to be a recommendation for no change. The Committee shall cease to exist thirty (30) days after its report is submitted to the City Council.

The City Council may take no action on the recommendation, or it may, by ordinance, adjust the compensation paid to members of the City Council by an amount not to exceed the recommendations of the Committee. No action which increases the compensation of the City Council in excess of the level recommended by the Committee may be taken without a vote of the people. Any ordinance adopted pursuant to a recommendation of the Committee shall be adopted by a 2/3 majority vote and shall be subject to referendum as provided in this Charter. Once compensation has been initially established as provided in this section, no increase in the annual compensation shall be greater than five percent for each calendar year following the operative date of the most recent change for the compensation. No more than one ordinance establishing the compensation of City Council members may be adopted in any two-calendar year period. Any compensation and benefits fixed as a result of this Section shall constitute full compensation for the services of the City Council member and the maximum benefits provided to the City Council member by the City.

Until such time as the City Council adopts an ordinance as provided herein, Councilmembers shall continue to receive the compensation in effect as of the effective date of the Section.

(Sec. 405 amended by vote of the people 11-5-2024; Sec. 405 amended by vote of the people 11-3-1998; Sec. 405 amended by vote of the people 3-9-1993; Sec. 405 amended by vote of the people 11-4-1980, effective May 4, 1981.)

Section 406. - THE MAYOR.

The Mayor shall be nominated and elected by the voters of the City at large for a term of four years, except as otherwise provided in this Charter. The Mayor shall be a voting member of the City Council and shall preside at meetings of the City Council. The Mayor shall act as chief executive of the City in performing all acts required to be performed under the laws of the State of California and this Charter. The Mayor shall be recognized as the official head of the City for all ceremonial purposes, by the Courts for the purpose of serving civil process and by the Governor of the State for military purposes. The Mayor shall have a voice and vote in all proceedings of the City Council and shall perform such other duties as

may be prescribed by this Charter or as may be imposed by the City Council consistent with his or her office.

(Sec. 406 amended by vote of the people 11-5-2024: Sec. 406 amended by vote of the people 6-5-2018: Sec. 406 amended by vote of the people 11-3-1998: Sec. 406 amended by vote of the people 3-9-1993.)

Section 407. - THE ACTING MAYOR.

In the event of a vacancy in the Office of Mayor, the City Council shall elect from among the remaining Councilmembers, an Acting Mayor who shall exercise the powers and perform the duties of the Mayor. Notwithstanding any other provision in this Charter, while an Acting Mayor is serving in the role of Mayor due to Mayoral vacancy, no action of the City Council, including the adoption of ordinances, resolutions, and motions, shall be valid unless it receives the affirmative vote of four members.

(Sec. 407 added by vote of the people 11-5-2024)

Section 408. - THE VICE MAYOR.

At its organizational meeting held annually in December, on the fifth Monday following the statewide general election held in November of even years, and the fifth Monday following the first Tuesday after a Monday in November of odd years, the City Council shall elect from among the Councilmembers a Vice Mayor who shall exercise the powers and perform the duties of the Mayor during the latter's absence or disability.

(Sec. 407 amended and renumbered as 408 by vote of the people 11-5-2024: Sec. 407 amended by vote of the people 11-3-1998: Sec. 407 amended by vote of the people 3-9-1993.)

Section 409. - POWERS VESTED IN THE CITY COUNCIL.

All powers of the City shall be vested in the City Council subject to the provisions of this Charter and to the Constitution of the State of California. The City Council is empowered to carry into effect the provisions of this Charter, to execute the powers vested in the City, and to perform all duties and obligations imposed upon the City by State law.

(Sec. 408 amended and renumbered as 409 by vote of the people 11-5-2024: Sec. 408 amended by vote of the people 3-9-1993.)

Section 410. - OFFICERS APPOINTED BY CITY COUNCIL.

The City Council shall appoint and may remove the City Manager, City Attorney, City Prosecutor, and City Clerk.

The City Prosecutor shall prosecute misdemeanor offenses arising out of violations of the law of the State and ordinances of the City.

(Sec. 409 amended and renumbered as 410 by vote of the people 11-5-2024: Sec. 409 amended by vote of the people 3-9-1993.)

Section 411. - ORGANIZATION OF CITY OPERATIONS AND ACTIVITIES.

The City Council shall, by ordinance, provide for the organization of all city operations and activities into functional units and may modify and change the organization from time to time. This organization shall be accomplished through the creation and establishment, by ordinance, of city departments, offices and agencies, advisory boards, commissions, and committees. In establishing departments, offices, agencies, boards, commissions and committees, the Council shall provide for the functions, powers, and duties of each such department, office, agency, board, commission, or committee created.

The City Council may, by ordinance, abolish, consolidate, modify, or separate any department, office, agency, board, commission, or committee, and may assign, reassign, or modify any functions, powers, or duties.

(Sec. 410 amended and renumbered as 411 by vote of the people 11-5-2024: Sec. 410 amended by vote of the people 3-9-1993: Sec. 410 amended by vote of the people 6-8-1976, effective August 1, 1976.)

Section 412. - PROHIBITIONS.

(A) Neither the Mayor nor any City Councilmember shall be eligible to hold any paid office created by the City Council while a member thereof and until one year after the expiration of the term for which he or she was elected.

(B) Except for purposes of inquiry, the Mayor, the City Council, and its members shall deal with the administrative service under the City Manager solely through the City Manager, and neither the Mayor, the City Council nor its members shall attempt to influence or to direct any subordinates of the City Manager.

(Sec. 411 amended and renumbered as 412 by vote of the people 11-5-2024: Sec. 411 amended by vote of the people 11-3-1998: Sec. 411 amended by vote of the people 3-9-1993.)

Section 413. - OFFICIAL BONDS.

The City Council may, by ordinance, require any city officer or employee to give and execute to the City official bonds for the faithful performance of official duties. The Premium therefor shall be paid by the City.

(Sec. 412 amended and renumbered as 413 by vote of the people 11-5-2024: Sec. 412 amended by vote of the people 3-9-1993.)

Section 414. - CAMPAIGN CONTRIBUTION LIMITS.

If the City Council adopts an ordinance implementing campaign contribution limits different from state default limits, the campaign contribution limit ordinance may be amended no earlier than following the second primary and general municipal election cycle after its enactment or amendment.

(Sec. 414 added by vote of the people 11-5-2024)

ARTICLE V - LEGISLATION

Section 501. - MEETINGS.

The City Council shall hold meetings at such time, place, and manner as it shall fix by ordinance. All meetings shall be open to the public, except as otherwise provided by law.

(Sec. 501 amended by vote of the people 3-9-1993.)

Section 502. - QUORUM.

A quorum of the City Council shall consist of five of the eight members thereof, but a lesser number may adjourn from time to time or compel the attendance of other members in such manner and under such penalties as the City Council may prescribe.

(Sec. 502 amended by vote of the people 11-3-1998: Sec. 502 amended by vote of the people 3-9-1993.)

Section 503. - PROCEEDINGS.

Rules for the conduct of the City Council proceedings shall be established by ordinance.

(Sec. 503 amended by vote of the people 3-9-1993.)

Section 504. - OATHS AND SUBPOENAS.

Each member of the City Council shall have the power to administer oaths and affirmations in any investigation or proceeding pending before the City Council. The City Council shall have the power to compel the attendance of witnesses, to examine them under oath, and to compel the production of evidence.

(Sec. 504 amended by vote of the people 3-9-1993.)

Section 505. - ORDINANCES, RESOLUTIONS AND MOTIONS.

Action shall be taken by the City Council by means of ordinances, resolutions and motions. Ordinances and resolutions shall be introduced in writing. No ordinance shall be adopted by the City Council on the day of its introduction. Oral motions require only to be duly adopted by the City Council and spread upon the minutes.

(Sec. 505 amended by vote of the people 3-9-1993.)

Section 506. - ACTION BY CITY COUNCIL.

No action of the City Council, including the adoption of ordinances, resolutions and motions, shall be valid unless it receives the affirmative vote of five members.

(Sec. 506 amended by vote of the people 11-3-1998: Sec. 506 amended by vote of the people 3-9-1993.)

Section 507. - ENACTING CLAUSE.

The enacting clause of all ordinances shall be "The People of the City of Pasadena ordain as follows."

Section 508. - PUBLICATION OF ORDINANCES.

All ordinances adopted under this Charter shall be published by the City Clerk at least once in a newspaper of general circulation in the City, and until such publication no ordinance shall take effect. Land use zones may be established (a) by legal description; (b) by reference to a map or plat referred to in such ordinance and published as part thereof, or (c) by reference to a map or plat on file with the City Clerk provided the ordinance designates the area in relation to the names of the public streets within the area depicted and incorporates such map or plat by reference. As an alternative to publications as specified herein, after adoption, the title and summary, as approved by the City Council, may be published in a newspaper of general circulation in the City.

(Sec. 508 amended by vote of the people 3-9-1993.)

Section 509. - SIGNATURE AND CERTIFICATION.

Every ordinance adopted by the City Council shall be signed by the Mayor or, in his or her absence, by the Vice Mayor, or shall be signed by five members of the City Council and shall be certified by the City Clerk.

(Sec. 509 amended by vote of the people 11-3-1998: Sec. 509 amended by vote of the people 3-9-1993.)

Section 510. - EFFECTIVE DATE OF ORDINANCES.

Ordinances shall take effect upon publication, except the following, which shall not take effect until the expiration of 30 days from publication.

(A) Ordinances granting franchises.

(B) General penal ordinances, except an ordinance required for the immediate preservation of the public peace, health or safety which declares the existence and nature of the emergency and which is adopted by an affirmative vote of at least six of the eight members of the City Council.

(Sec. 510 amended by vote of the people 11-3-1998: Sec. 510 amended by vote of the people 3-9-1993.)

Section 511. - CODIFICATION AND ADOPTION OF CODES.

The City Council may cause to be classified and codified under appropriate headings the ordinances of the City. Notwithstanding any other provisions of this Article, the City Council may adopt and thereafter amend a code of laws, rules or regulations by reference, in the manner prescribed by the Government Code as now or hereafter amended.

(Sec. 511 amended by vote of the people 3-9-1993.)

Section 512. - VIOLATION OF ORDINANCES; PENALTIES.

The violation of any penal ordinance of the City shall be a misdemeanor unless by ordinance the violation is made an infraction or by ordinance the prosecutor is authorized, in the prosecutor's discretion, to file a complaint charging the violation as an infraction. The maximum fine or penalty, or both, for any such violation shall be established by ordinance. Such fine or penalty, or both, shall not exceed the fine or penalty prescribed in the California Penal Code for violation of a comparable state law.

(Sec. 512 amended by vote of the people 6-5-84, effective 7-9-84; Sec. 512 amended by vote of the people 6-8-1976, effective August 1, 1976.)

ARTICLE VI - THE CITY MANAGER

Section 601. - CITY MANAGER.

There shall be a City Manager who shall be the chief administrative officer and head of the administrative branch of city government.

Section 602. - APPOINTMENT OF THE CITY MANAGER.

The City Manager shall be selected on the basis of his or her executive and administrative qualifications, and shall be appointed at a regular meeting of the City Council upon the affirmative vote of not less than five members thereof. Neither the Mayor nor any other member of the City Council shall receive such an appointment during the term for which he or she has been elected nor within two years after the expiration of his or her term.

(Sec. 602 amended by vote of the people 11-3-1998: Sec. 602 amended by vote of the people 3-9-1993: Sec. 602 amended by Stats November, 1986.)

Section 603. - REMOVAL OR RESIGNATION OF THE CITY MANAGER.

The affirmative vote of not less than five members of the City Council shall be required to remove the City Manager from office. The City Manager may resign by giving the City Council at least thirty days' written notice of his or her intention to resign, stating the reasons therefor.

(Sec. 603 amended by vote of the people 11-3-98: Sec. 603 amended by vote of the people 3-9-1993: Sec. 603 amended by Stats November, 1986.)

Section 604. - POWERS AND DUTIES OF CITY MANAGER.

The administrative and executive functions, powers, and duties provided in this Section, in addition to others specified in this Charter, hereby are delegated to and vested in the City Manager. He or she shall have the power and it shall be his or her duty:

- (A) To supervise, coordinate and administer the various functions of the City;
- (B) To see that the provisions of this Charter and all laws and ordinances of the City are enforced;
- (C) To appoint, promote, discipline and terminate the employment of all officers and employees of the City in accordance with the personnel system created pursuant to this Charter except those officers appointed by the City Council, which officers shall have the power to appoint their respective staffs;

- (D) To exercise supervision and control over all departments, divisions, and offices of the City except the City Attorney, City Prosecutor, and City Clerk, and their respective staffs;
- (E) Except when his or her removal is under discussion, to attend all meetings of the City Council, but he or she shall have no power to vote as a member thereof;
- (F) To recommend to the City Council for adoption such measures and ordinances as he or she shall deem necessary or expedient;
- (G) To see that all terms and conditions imposed in favor of the City or its inhabitants in any contract or in any franchise are faithfully kept and performed, and upon knowledge of any violation thereof to call the same to the attention of the City Attorney, whose duty it shall be to take such steps as are necessary to protect and enforce such terms and conditions;
- (H) To prepare and submit to the City Council the annual budget;
- (I) To keep the City Council at all times fully advised as to the financial condition and needs of the City; and
- (J) It shall be competent for the City Council to instruct the City Manager in all matters of policy, and any action, determination or omission of the City Manager shall be subject to review by the City Council, but no such action, determination or omission shall be overruled or modified by a vote of less than five members thereof, nor shall any otherwise valid contract previously made by the City Manager be subject to review.

(Sec. 604 amended by vote of the people 11-3-1998; Sec. 604 amended by vote of the people 3-9-1993: Sec. 604 amended by Stats November, 1986; Sec. 604 amended by vote of the people 6-8-1976, effective August 1, 1976.)

Section 605. - ACTING CITY MANAGER.

The City Council shall provide, by ordinance, for the designation and powers and duties of an acting City Manager who shall act as City Manager when the City Manager is absent or disabled.

(Sec. 605 amended by vote of the people 3-9-1993: Sec. 605 amended by vote of the people 6-3-1980.)

Section 606. - ACTING CITY MANAGER.

(Repealed by vote of the people 6-3-1980.)

ARTICLE VII - BOARD OF EDUCATION

Section 701. - ESTABLISHMENT OF A BOARD OF EDUCATION.

The control, management, and administration of the public elementary and secondary schools of the City of Pasadena and such territory that is now or may hereafter be annexed thereto for school purposes, in accordance with the Constitution and general laws of the State of California, is hereby vested in a Board of Education consisting of seven members nominated and elected by geographic sub-district as provided in this Charter. The Board of Education is hereby vested with all the powers and charged with all the duties provided under state law for city boards of education.

(Sec. 701 amended by vote of the people 11-7-2000; Sec. 701 amended by vote of the people 6-8-1976, effective August 1, 1976; Sec. 701 amended by vote of the people 6-5-2012.)

Section 702. - TERM OF OFFICE.

- A. Except as provided in subsection B, the members of the Board of Education shall hold office for a term of four years, and until their successors are elected and have duly qualified.
- B. Notwithstanding any other provision of this Charter, in order to transition to new election dates starting in 2020, the terms of office of members of the Board of Education elected in the year 2015 shall expire in December 2020 and the terms of office of members of the Board of Education elected in the year 2017 shall expire in December 2022.
- C. Beginning in the year 2020, the terms of office of members of the Board of Education elected in the geographic sub-districts for seats 2, 4, and 6 shall commence in the year 2020 and in each fourth anniversary of the year 2020, and the terms of office of members of the Board of Education elected in the geographic sub-districts for seats 1, 3, 5, and 7 shall commence in the year 2022 and in each fourth anniversary of the year 2022. The terms of office for all members of the Board of Education shall commence on the fifth Monday following their election and until their respective successors are elected and have duly qualified.

(Sec. 702 amended by vote of the people 6-5-2018)

Section 703. - ELECTION.

Beginning in the year 2020, members of the Board of Education shall be elected at a general election held on the first Tuesday after the first Monday in November in each even-numbered year, coinciding with the statewide general election. Candidates to be voted on at the general election shall be residents and qualified voters of the geographic sub-district in which the election is held. Only voters who live in the geographic sub-district shall be eligible to vote in the elections for Board Member from that geographic sub-district. No names shall be printed upon the ballot in the general election for the office of member of the Board of Education other than those nominated in the manner hereinafter prescribed.

(Sec. 703 amended by vote of the people 6-5-2018; Sec. 703 amended by vote of the people 6-5-2012)

Section 704. - NOMINATING PETITION.

Any person desiring to become a candidate for the Board of Education to be filled at such election shall file, or have filed, with the City Clerk, acting in the capacity of Assistant Secretary to the Board of Education during Board of Education elections, in the form and in the period prior to the election prescribed by the California Elections Code, nominating papers signed by him/her specifying for which geographic sub-district he/she is a candidate, signed by not less than twenty five (25) qualified voters from the geographic sub-district in which the election is held, requesting such candidacy, and accompanied by a filing fee of \$25.00. The names of voters not residents of the geographic sub-district for which the candidate is being nominated shall not be counted by the County Registrar of Voters in determining the sufficiency of such petition.

(Sec. 704 amended by vote of the people 3-5-2024; Sec. 704 amended by vote of the people 6-5-2012; Sec. 704 amended by vote of the people 3-4-1997.)

Section 705. - ELIGIBILITY.

Each Board Member shall be a qualified elector of the geographic sub-district in which the election is held. Each Board Member shall be a resident of the geographic sub-district from which the Member is elected or appointed. (Sec. 705 added by vote of the people 6-5-2012.)

Section 706. - GENERAL ELECTION.

The candidate receiving the highest number of votes in the general election for each geographic sub-district shall be deemed elected for that office, without any run-off election. In the case of a tie vote, the Board of Education shall summon the candidates affected to appear at a time and place designated by the Board and shall at that time and place determine the tie by lot.

(Sec. 706 amended by vote of the people 6-5-2018; Sec. 706 amended by vote of the people 6-5-2012)

Section 707. - CANVASS OF RETURNS.

On the fifth Monday of each even-numbered year after the statewide general election and at their usual time and place of meeting, the Board of Education shall meet to approve the canvass of returns submitted by the City Clerk acting in his/her capacity as Assistant Secretary to the Board of Education and shall declare the results.

(Sec. 707 amended by vote of the people 6-5-2018: Sec. 707 amended by vote of the people 3-7-1995)

Section 708. - STATE LAW APPLICABLE; ERRORS OR IRREGULARITIES.

In all other matters, the election for members of the Board of Education shall, as to the primary nominating and as to the general election, be governed by the applicable general laws of the State relating to city boards of education.

No election, whether primary nominating or general, shall be set aside for any error, irregularity or defect in the proceedings leading up to or in said election, when the provisions of law governing the same are substantially complied with and where a fair expression of the will of the electorate is secured.

Section 709. - MEETINGS OF BOARD OF EDUCATION.

The members of the Board of Education shall enter upon the discharge of their duties on the fifth Monday of each even-numbered year after the statewide general election, and the Board of Education shall meet upon said day and annually thereafter and organize by electing one of their number President, whose term of office shall be one year. The Board of Education shall determine the rules of its proceedings. Any vacancy occurring on the Board of Education shall be filled by the remaining members of the said Board, and if there be no members, then by the City Council.

(Sec. 709 amended by vote of the people 6-5-2018: Sec. 709 amended by vote of the people 6-3-1980)

Section 710. - ANNUAL ADDRESS BY PRESIDENT OF THE BOARD OF EDUCATION.

No later than May of each year, the President of the Board of Education shall address the public on the state of the Pasadena Unified School District to report to the people on the progress of the District in achieving its prior goals and objectives and to articulate its goals and objectives for the coming school year, including the financial state of the schools.

(Sec. 710 amended by vote of the people 6-5-2018: Sec. 710 approved by vote of the people 11-7-2000)

Section 711. - GENERAL LAW APPLICABLE.

In all matters not specifically provided for in this Article, the Board of Education shall be governed by

the provisions of the general law relating to such matters.

Section 712. - ELECTION COSTS.

The Board of Education shall reimburse the City out of school district funds for the costs of any election conducted by the City arising out of a request by the Board of Education including an amendment to this Charter.

Section 713. - GEOGRAPHIC SUB-DISTRICTS.

- A. Geographic sub-districts for the Board of Education shall be established by resolution of the Pasadena Board of Education after the decennial census year or whenever the Board determines by at least a two-thirds vote that a sufficient change in population has occurred that makes it desirable in the opinion of the Board to adjust the boundaries of the geographic sub-districts. Geographic sub-districts shall be as nearly equal in population as practicable and such redistricting shall be in compliance with applicable laws.
- B. At least twenty-two (22) months prior to the second general election day following the day of the decennial census, the Board of Education shall establish, by resolution, a Redistricting Commission to recommend to the Board the configuration of geographic sub-districts for the area served by the Pasadena Unified School District. The Redistricting Commission shall consist of nine members, as follows:
 - 1. Three residents of the City of Pasadena appointed by the Pasadena City Council;
 - 2. Three residents of the area served by the Pasadena Unified School District appointed by the Pasadena Board of Education who are not then members of the Board of Education;
 - 3. Two residents of the Altadena unincorporated area of Los Angeles County served by the Pasadena Unified School District appointed by the County Supervisor(s) representing such area;
 - 4. One resident of the City of Sierra Madre to be appointed by the City Council of the City of Sierra Madre;
- C. The Redistricting Commission shall hold at least one public hearing on any proposal to adjust the boundaries of a district prior to a public hearing at which the Redistricting Commission votes to recommend the proposal to the Board of Education. The Redistricting Commission shall provide its recommendation to the Board of Education at least sixteen (16) months prior to the second general election day following the day of the decennial census.
- D. The geographic sub-districts recommended by the Redistricting Commission shall be adopted by the Board, unless amended by a two-thirds majority of the Board. If the Board fails to act within 60 calendar days of the submission of the Commission's final report and recommended

plan to the Superintendent, the Commission's recommended geographic sub-districts shall be deemed adopted.

- E. No change in the boundary or location of any district by redistricting shall abolish or terminate the term of office of any member of the Board prior to expiration of the term of office for which the member was elected, notwithstanding any other provision of this Section. Each incumbent member of the Board of Education will, during the duration of the member's current term, represent the area by which the member was elected.
- F. At the time of, or after, any annexation of territory to the District, the Board of Education shall designate, by resolution, the geographic sub-district of which the annexed territory shall be a part.

(Sec. 713 amended by vote of the people 6-5-2018: Sec. 713 added by vote of the people 6-5-2012)

ARTICLE VIII - THE PERSONNEL SYSTEM

Section 801. - PERSONNEL SYSTEM.

The City Council shall establish a personnel system.

(Sec. 801 amended by vote of the people 3-9-1993.)

Section 802. - MERIT PRINCIPLE.

All appointments and promotions of city officers and employees shall be made on the basis of merit, with due regard for equal opportunity in employment, and fitness shall be demonstrated by appropriate examination or other evidence of competence.

(Sec. 802 amended by vote of the people 6-8-1976, effective August 1, 1976.)

Section 803. - EMPLOYMENT RULES AND COMPENSATION.

A manual of the rules, practices and procedures necessary to the administration of the City personnel system shall be established by the City Manager.

The City Council shall establish by resolution the maximum number of officers and employees, the classes of employment and the compensation therefor, and other employee benefits.

(Sec. 803 amended by vote of the people 3-9-1993: Sec. 803 amended by vote of the people 6-8-1976, effective August 1, 1976.)

Section 804. - PUBLIC EMPLOYEES' RETIREMENT SYSTEM.

The City Council may establish a retirement system pursuant to the Public Employees' Retirement Law or the County Employees Retirement Law of 1937, as they are now enacted or hereafter amended, for such persons in the employ of the City as it shall determine, other than those who are members of the Fire and Police Retirement System established by this Charter. Obligations of the City under such systems shall be paid from the General Fund, the Light and Power Fund, and the Water Fund, in accordance with the respective obligations of said funds.

(Sec. 804 amended by vote of the people 3-9-1993: Sec. 804 amended by vote of the people 6-8-1976, effective August 1, 1976.)

ARTICLE IX - FISCAL ADMINISTRATION

Section 901. - FISCAL YEAR.

The fiscal year of the City shall begin on the first day of July of each year and end on the thirtieth day of June following. The City Council may, by ordinance, provide for a system of thirteen equal accounting periods.

(Sec. 901 amended by vote of the people 3-9-1993: Sec. 901 amended by vote of the people 6-8-1976, effective August 1, 1976.)

Section 902. - PREPARATION OF BUDGET.

No later than February of each year, the Mayor shall present a thematic budget message for the upcoming fiscal year to the City Council. The City Council shall establish procedures whereby public suggestions and comments on the Mayor's budget proposals may be received and considered prior to the preparation and submission of budget estimates by the Departments to the City Manager.

On or before the third Monday in May of each year, the City Manager shall submit to the City Council a preliminary budget of probable expenditures and revenues of the City for the succeeding fiscal year, giving the amounts required to meet the interest and sinking funds for all outstanding funded debts, the amounts required for salaries and the needs of all departments and programs of the municipal government in detail, showing specifically the amount necessary to be apportioned to each fund in the treasury, and giving the estimated income and revenue to be obtained from all sources, indicating the revenue separately for each source.

(Sec. 902 amended by vote of the people 6-5-2018: Sec. 902 amended by vote of the people 11-3-1998: Sec. 902 amended by vote of the people 3-9-1993: Sec. 902 amended by vote of the people 6-8-1976,

effective August 1, 1976.)

Section 903. - PUBLIC HEARING ON BUDGET.

The City Council shall hold a public hearing on the proposed budget not earlier than two weeks after publication of a notice stating:

(A) The times and places where copies of the budget are available for inspection by the public;
and

(B) The time and place for the public hearing.

(Sec. 903 amended by vote of the people 3-9-1993.)

Section 904. - ADOPTION OF THE BUDGET AFTER HEARING.

After the conclusion of the public hearing, the City Council shall consider the proposed budget and make any revisions that it may deem advisable. The City Council shall annually, on or before the thirtieth day of June, adopt a budget of the amounts estimated to be required to pay the expenses of conducting the public business of the City for the fiscal year. The budget shall be prepared in such detail as to the aggregate sum and the items or programs thereof allowed to each department, office, agency, board, commission or committee as the City Council may determine. The budget may include an "unappropriated balance" which shall be appropriated during the fiscal year to meet contingencies and needs as they arise. A copy of the budget, certified by the City Clerk as having been adopted by the City Council, shall be placed on file in the office of the City Clerk and shall be available for public inspection. Another copy, likewise certified, shall be filed with the Director of Finance. Copies of the budget shall be made available for the use of each department, office, agency, board, commission and committee of the City.

(Sec. 904 amended by vote of the people 3-9-1993: Sec. 904 amended by vote of the people 6-8-1976, effective August 1, 1976.)

Section 905. - TAX RATE.

On or before the first Monday of September in each year, the City Council shall, by ordinance, fix the tax rate, and shall, by ordinance, establish procedures for tax collection and enforcement. The City Council shall fix a tax rate which will raise sufficient monies, when added to all other estimated income and revenue, to meet the adopted budget requirements.

(Sec. 905 amended by vote of the people 3-9-1993.)

Section 906. - BUDGET RESERVE.

A sufficient amount may be included in the budget each year to pay the necessary current expenses of the City government until the receipt of tax moneys the following year.

Section 907. - BUDGET APPROPRIATIONS.

The adoption of the budget shall constitute an appropriation to the several offices, programs, departments, boards and commissions for the respective objects and purposes named therein.

(Sec. 907 amended by vote of the people 6-8-1976, effective August 1, 1976.)

Section 907.5. - ANNUAL FINANCIAL REPORT.

Within four months after the close of each fiscal year, the Director of Finance shall compile and deliver a financial report to the City Council which shall be available to the public.

The intent of this section is to provide the City Council, citizens and other interested parties with information on the financial position of the City and its various agencies and funds, in sufficient detail to allow reasonable analysis by diligent study.

The report shall contain, but shall not be limited to, the following information for each fund of the City and of each agency it has created:

- (A) A description of developments occurring during the fiscal year which have affected the financial position;
- (B) A statement of financial position as of the beginning and end of the fiscal year;
- (C) A summary of revenues and expenditures for the fiscal year, compared to the adopted and the final amended budget and to corresponding information for the preceding year;
- (D) The amount paid during the year to each retirement system, compared to similar information for the preceding year;
- (E) A tabulation of unfunded obligations, including retirement obligations, as of the beginning and the end of the fiscal year, which will require commitment of resources in future years; and
- (F) Available reports by the independent auditors, with a notice of the place and the expected time at which auditors' reports not yet available can be examined.

(Sec. 907.5 amended by vote of the people 3-9-1993: Sec. 907.5 approved by the people 6-8-1976, effective August 1, 1976.)

Section 908. - TAX SYSTEM.

The City may use, for the purpose of ad valorem municipal taxation of property, the County assessment and tax-collection services.

(Sec. 908 amended by vote of the people 6-8-1976, effective August 1, 1976.)

Section 909. - BONDED DEBT OR TAX LEVY.

Whenever the City Council shall determine that the public interest requires the construction or acquisition or completion of any public improvement or utility, the cost of which, in addition to the other expenditures of the City, will exceed the income and revenue provided for in any one year, it may, by ordinance, submit a proposition to incur a general obligation bonded indebtedness and specifying the maximum interest rate thereof, or levy a special tax for such purpose, and proceed therein as provided in Section Eighteen of Article Sixteen of the Constitution of this State and general law or laws thereof, and that the bond issue therefor shall be sold to the highest bidder, after advertising for sealed proposals; provided that the City Council may reject any and all bids.

(Sec. 909 amended by vote of the people 3-9-1993: Sec. 909 amended by Stats 1971.)

Section 910. - BONDED DEBT LIMIT.

The City shall not incur an indebtedness evidenced by general obligation bonds which shall in the aggregate exceed 15 per cent of the assessed value of all the real and personal property in the City subject to assessment for taxation for municipal purposes.

Section 911. - PAYMENT OF BONDS.

The Director of Finance shall draw and issue a warrant without approval of any body or officer for payment of the principal of interest on bonds issued by the City, in accordance with the State Constitution, laws and ordinances authorizing the issuance of said bonds.

(Sec. 911 approved by vote of the people 6-8-1976, effective August 1, 1976.)

Section 912. - INDEPENDENT AUDIT.

At the beginning of each fiscal year, the City Council shall employ a certified public accountant who shall, at such times as may be specified by the City Council, examine the records, books, inventories, and reports of all officers and employees who receive, handle, or disburse City money, and the books, records, inventories, and reports of such officers, employees, or departments as the City Council may direct. The accountant shall make such periodic reports to the City Council as it may direct, and as soon as practicable following the close of the fiscal year, the accountant shall make a final audit and report in

writing to the city council.

(Sec. 912 amended by vote of the people 3-9-1993: Sec. 912 approved by vote of the people 6-8-1976, effective August 1, 1976.)

Section 913. - CAPITAL PROJECT FUND.

There is created a special fund known as the "Capital Project Fund" which shall be used to account for financial resources which are to be expended only for the acquisition, construction, replacement or repair of municipal improvements, as defined in California Government Code 43601 as of July 1, 1971, or for payments of principal and interest on funds borrowed for such purposes. The Capital Project Fund shall receive monies as designated by the Charter or City Council from time to time. Expenditures and transfers from the fund, other than for specific municipal improvements projects as defined above, shall be authorized only upon a majority vote of the people.

(Sec. 913 amended by vote of the people 3-9-1993: Sec. 913 amended by vote of the people 6-5-84, effective 7-9-84)

ARTICLE X - CONTRACTS, PURCHASES AND CLAIMS

Section 1001. - CONTRACTS.

All contracts shall be in writing, and shall be executed in the name of the City of Pasadena by an officer or officers authorized to sign the same. All contracts shall be approved as to form by the City Attorney before the execution thereof.

All contracts shall be approved by the City Council except contracts under a limit established by ordinance.

(Sec. 1001 amended by vote of the people 3-5-2024; Sec. 1001 amended by vote of the people 3-9-1993: Sec. 1001 amended by vote of the people 6-5-84, effective 7-9-84; Sec. 1001 amended by vote of the people 6-3-1980.)

Section 1002. - CONTRACTS REQUIRING COMPETITIVE BIDS.

Except as otherwise provided in this Charter, no contract for supplies, material, labor, or other valuable consideration, to be furnished to the City shall be authorized by the City Council except with the lowest and best bidder after competitive bidding. The City Council may reject any and all bids.

Competitive bidding shall not be required under this Charter for:

- (A) Labor or services rendered by any City officer or employee.
- (B) Labor, material, supplies or services furnished by one City department to another City department.
- (C) Contracts for labor, material, supplies, or services available from only one vendor.
- (D) Contracts for labor, material, supplies, or services in an amount less than a limit established pursuant to section 1001.
- (E) Contracts relating to the acquisition of real property.
- (F) Contracts for professional or unique services.
- (G) Contracts for labor, material, or supplies for actual emergency work.
- (H) Contracts with other governmental entities or their contractors for labor, material, supplies, or services.
- (I) Contracts utilizing alternative project delivery methods, as approved by the City Council, including, but not limited to, design-build and construction manager at risk.

(Sec. 1002 amended by vote of the people 3-5-2024 on two separate measures: Measure S and Measure I; Sec. 1002 amended by vote of the people 3-9-1993; amended by vote of the people 6-3-1980; Sec. 1002 amended by vote of the people 6-8-1976, effective August 1, 1976.)

Section 1003. - BIDDING PROCEDURE.

The City Council shall prescribe by ordinance a system of competitive bidding including such definitions, publication requirements, conditions, terms, rules and regulations and with such exceptions as the City Council shall prescribe not inconsistent with this Article.

(Sec. 1003 amended by vote of the people 3-9-1993.)

Section 1004. - SMALL PURCHASE AND UTILITY SERVICES.

The audit requirement as such term is used in Section 1010 shall not apply to demands arising out of purchases under \$500.00 or to any of the following services: telephone, gas, water, electric light and power. Such demands may be paid without prior audit, under procedures prescribed by ordinance.

(Amended by vote of the people 6-8-1976, effective August 1, 1976; Sec. 1004 amended by vote of the people 6-6-1972.)

Section 1005. - SALE OF PROPERTY.

The City Council shall provide, by ordinance, for uniform methods for the sale or exchange of real and personal property not needed by the City.

(Sec. 1005 amended by vote of the people 3-9-1993: Sec. 1005 amended by vote of the people 6-3-1980.)

Section 1006. - CONTRACTS FOR PUBLIC UTILITIES.

The respective officers in charge of water and power utilities operated by the City may contract for the sale of the products, commodities, and services of their departments in accordance with forms and regulations approved by the City Manager and City Attorney, and at rates fixed by the City Council.

(Sec. 1006 amended by vote of the people 3-9-1993.)

Section 1007. - ILLEGAL INTEREST IN CONTRACTS.

No officer or employee of the City shall have an interest in any contract to which the City is a party, except to the extent permitted by state law as now or hereafter provided.

Section 1008. - FEDERAL AND STATE FUNDS.

Whenever the City shall have received any money from the Federal Government or from the State of California, or from any agency of either, it may in the expenditure of such money conform to all applicable requirements of Federal or State laws, and of regulations and orders issued under the authority thereof, with respect to the awarding of contracts, hours of labor, employment preferences, and other such matters covered thereby, notwithstanding any provisions of this Charter inconsistent therewith, and any such inconsistent provisions shall yield and be subordinate thereto with respect to such expenditure.

Section 1009. - PAYMENT OF BONDS.

(Sec. 1009 was amended and renumbered Sec. 911 by vote of the people 6-8-1976, effective August 1, 1976.)

Section 1010. - DEMANDS.

All demands against the City must be in writing, must specify the date, nature, and amount of each item included therein and may be in the form of a bill, invoice, payroll, or formal demand. Each such demand shall be presented to the Director of Finance, who shall examine and audit the same. If the amount is legally due and there remains on his or her books an unexpended balance of an appropriation against which it may properly be charged, he or she shall approve such demand and cause the same to be paid from the City treasury, charging the proper fund. Otherwise, he or she shall reject it. The City Council may overrule such rejection and order the demand paid. If funds are insufficient, the demand shall be registered, and all registered demands shall be paid in the order of their registration when funds

therefor become available.

(Sec. 1010 amended by vote of the people 3-9-1993; Sec. 1010 amended by vote of the people 6-8-1976, effective August 1, 1976.)

Section 1011. - CLAIMS AGAINST THE CITY.

- (A) To the extent that the laws of the State of California set forth a procedure applicable to claims specified therein against local public entities and public officers and employees thereof, such State laws shall, from and after January 14, 1963, govern such claims to the exclusion of the provisions of this Charter and all ordinances of this City.
- (B) Subject to the provisions of subsection (A) of this Section, and except in those cases where a different period of time is otherwise specified by law, all claims or demands which are based on a cause of action accruing from and after January 14, 1963, against the City, or any board or department thereof, or any officer or employee thereof for an act or omission during the course of his or her service or employment, shall be presented within one year after the accrual of the cause of action.
- (C) For the purpose of computing the time limit prescribed by this Section, the date of the accrual of a cause of action to which a claim relates is the date upon which the cause of action accrued within the meaning of the applicable statute of limitations.
- (D) Any claim rejected in whole or in part by any officer of the City whose approval may be required, may be presented to the City Council within thirty days after such rejection, and must be so presented before the bringing of any suit against said City or any officer, employee, board or department thereof in his or her or its official capacity, and suit on any claims shall be brought within six months after the rejection of such claim in whole or in part by such City Council. When any claim is in part allowed and in part rejected by said City Council, the claimant may refuse to accept such partial allowance and bring suit for the entire amount of such claim, but if any such partial allowance is accepted, no suit shall be brought or maintained upon such claim.

(Sec. 1011 amended by vote of the people 3-9-1993.)

Section 1012. - ACTIONS AGAINST THE CITY.

No suit shall be brought upon any claim for money or damages, against the City, or any officer, employee, board or department thereof, until a claim or demand for the same has been presented as provided herein or in any ordinance herein authorized.

Section 1013. - INDEPENDENT AUDIT.

(Sec. 1013 was renumbered Sec. 912 by vote of the people 6-8-1976, effective August 1, 1976.)

Section 1014. - AUTHORITY TO COMMENCE AND SETTLE ACTIONS.

The City Council shall prescribe by ordinance, exclusive of court costs, the monetary limits for an employee or employees to: (i) commence any action on behalf of the City, or (ii) settle any claim or action against the City, or any officer, employee, board or department thereof in his or her or its official capacity. No claim or action for more than the amount set forth in the ordinance shall be commenced or settled without the prior approval of the City Council.

(Sec. 1014 added by vote of the people 3-5-2024.)

ARTICLE XI - FRANCHISES

Section 1101. - GRANTING OF FRANCHISES.

The City Council may grant a franchise to any person, partnership, corporation or other legal entity capable of exercising the privilege conferred, whether operating under an existing franchise or not, and may prescribe the terms, conditions and limitations of such grant, including the compensation to be paid to the City. The City Council may, by the affirmative vote of six members, prescribe by ordinance the method for granting franchises, together with additional terms and conditions for making such grants. In the absence of such provision, the method provided by the general laws of the State of California shall apply.

(Sec. 1101 amended by vote of the people 11-3-1998: Sec. 1101 amended by vote of the people 3-9-1993.)

Section 1102. - TERM OF FRANCHISE.

No franchise shall be granted for a longer period than twenty years, unless there be reserved to the City the right to take over at any time the works, plant, and property constructed under the grant at their physical valuation and without compensation for franchise or good will.

Section 1103. - EMINENT DOMAIN.

No franchise or grant of a franchise shall in any way or to any extent impair or affect the right of the City to acquire the property of the possessor thereof by purchase or condemnation, and nothing therein contained shall be construed to contract away or to modify or abridge, either for a term or in perpetuity, the City's right of eminent domain with respect to the property of the possessor of any franchise. Every

franchise granted by the City is granted upon the condition, whether expressed in the grant or not, that such franchise shall not be given any value before any court or other public authority in any proceeding of any character in excess of any amount actually paid by the grantee to the City at the time of the grant.

Section 1104. - PROCEDURE FOR GRANTING FRANCHISE.

Before granting any franchise, the City Council shall adopt a resolution declaring its intention to grant a franchise and stating the name of the proposed grantee, the character of the proposed franchise, and a general summary of the terms and conditions upon which it is proposed to be granted. Such resolution shall set forth the day, hour, and place when and where any person having an interest in or objecting to the granting of such franchise may appear before the City Council and be heard. Said resolution shall be published at least once, not less than ten days prior to said hearing in a newspaper of general circulation in the City. After hearing all persons desiring to be heard, the City Council may, by ordinance, grant the franchise. No ordinance granting a franchise shall be adopted as an emergency measure, but shall be subject to the referendary power reserved to the people.

(Sec. 1104 amended by vote of the people 3-9-1993.)

ARTICLE XII - ELECTIONS

Section 1201. - DISTRICTS.

The City Council shall, by ordinance, establish seven districts which shall be used for all elections of Councilmembers. Said districts shall be as nearly equal in population as practicable and such redistricting shall be in compliance with applicable laws.

(Sec. 1201 amended by vote of the people 3-9-1993: Sec. 1201 amended by vote of the people 6-8-1976, effective August 1, 1976.)

Section 1202. - PRIMARY ELECTIONS.

Beginning in the year 2020, a City primary election shall be held in each even year, coinciding with the statewide primary election, in those districts of the City wherein the terms of office of Councilmembers expire in that year or on a citywide basis when the term of office of the Mayor expires in such year, for the purpose of nominating candidates to be voted on at the general municipal election and for such other purposes as the City Council may prescribe.

(Sec. 1202 amended by vote of the people 6-5-2018; Sec. 1202 amended by vote of the people 11-3-1998; Sec. 1202 amended by vote of the people 3-9-1993.)

Section 1203. - NOMINATING PETITION.

Any voter residing in a district who desires to become a candidate for the office of member of the City Council from that district to be filled at such general election, or any qualified resident of the City who desires to become a candidate for Mayor when that office is to be filled at such general election, shall file with the City Clerk, in the period prescribed by the California Elections Code prior to the primary election, nominating papers signed by not less than 25 qualified voters of such district, or, for the office of Mayor, a petition signed by not less than 50 qualified voters of the City, and accompanied by a filing fee of \$25.00.

(Sec. 1203 amended by vote of the people 11-3-1998; Sec. 1203 amended by vote of the people 3-7-1995; Sec. 1203 amended by vote of the people 3-9-1993.)

Section 1204. - CANDIDATES.

The two persons receiving the highest number of votes at the primary election for the candidates for office of Mayor or Councilmember from a district shall be the candidates for election and only their names shall be printed upon the ballot to be used in the general municipal election. Notwithstanding the foregoing, any person who, at the primary election, shall receive a majority of the total vote cast for candidates for said office shall be elected to such office.

(Sec. 1204 amended by vote of the people 3-5-2024; Sec. 1204 amended by vote of the people 11-3-1998; Sec. 1204 amended by vote of the people 3-9-1993; amended by vote of the people 11-4-1980, effective January 1, 1981; Sec. 1204 amended by vote of the people 6-6-72.)

Section 1205. - GENERAL MUNICIPAL ELECTION.

- A. Except as provided in subsection B, beginning in the year 2018, a general municipal election shall be held in each even year, coinciding with the statewide general election, for the purpose of electing the Mayor and Councilmembers under the provisions of this Charter, and for such

other purposes as the City Council may prescribe.

- B. Notwithstanding any other provision of the Charter, in order to transition to new election dates starting in 2018, and in accordance with Section 401(B), no election of the Mayor or Councilmembers shall occur at the general municipal election held in November 2018.

(Sec. 1205 amended by vote of the people 6-5-2018; Sec. 1205 amended by vote of the people 11-3-1998; Sec. 1205 amended by vote of the people 3-9-1993.)

Section 1206. - SPECIAL ELECTIONS.

Any other municipal election that may be held by authority of this Charter, the Constitution of the State of California, or any law under which the City may act shall be known as a special municipal election. A special election may be called by the City Council by ordinance or resolution.

(Sec. 1206 amended by vote of the people 3-9-1993.)

Section 1207. - CANVASS OF ELECTIONS.

The City Council shall meet to approve the canvass submitted by the City Clerk on the fifth Monday after the election, unless otherwise provided for in the ordinance or resolution calling the election.

(Sec. 1207 amended by vote of the people 6-5-2018; Sec. 1207 amended by vote of the people 3-7-1995; Sec. 1207 amended by vote of the people 3-9-1993.)

Section 1208. - PROCEDURES FOR CONDUCTING ELECTIONS.

Unless otherwise provided by ordinance, all municipal elections shall be held in accordance with the provisions of the Elections Code of the State of California, as the same now exists or may hereafter be amended, governing municipal elections. The conduct of all City elections shall be under the control of the City Council, and the City Council shall, by ordinance or resolution, provide for the holding of each City election.

(Sec. 1208 amended by vote of the people 3-9-93.)

ARTICLE XIII - INITIATIVE, REFERENDUM AND RECALL

Section 1301. - POWERS RESERVED TO THE PEOPLE.

The powers of the initiative and referendum and the recall of elected City officers are hereby reserved to the electors of the City. The provisions of the Elections Code of the State of California, as the same

now exists or may hereafter be amended or superseded, governing the exercise of the powers of initiative and referendum in cities, and governing the exercise of the power of recall of municipal officers, shall apply to the exercise of those powers in the City in so far as such provisions are not in conflict with the provisions of this Charter.

ARTICLE XIV - WATER AND POWER UTILITY OPERATIONS

Section 1401. - OPERATION OF UTILITIES.

The City may operate water and power utilities through a department or departments or through such other form of organization as the City Council may approve by ordinance. The City shall not sell any such utility unless such sale is first submitted to the voters of the City and approved by a majority of those voting on the question.

(Sec. 1401 amended by vote of the people 11-3-1998.)

Section 1402. - BOOKS OF ACCOUNT AND BUSINESS REPORTS.

The books of account of the water utility and of the power utility shall be kept separately from the accounts of all other City departments and of each other, and in such manner as to show the value of the property of each utility, its earnings, and expenses in accordance with accepted accredited uniform system of accounts. Reports of each utility shall be published annually in printed pamphlet form for distribution within 150 days after the close of each fiscal year, showing the value of the properties, the financial status, including cash on hand and invested funds, the bonded debt and other obligations, the earnings for the year, the cost of production and distribution, the cost of equipment and the depreciation thereof, and a statement of all assets and liabilities.

Section 1403. - SERVICE RATES.

The charges to be made for water and electrical energy shall be prescribed by ordinance.

Section 1404. - SEPARATION OF FUNDS.

All money and property received by the City in payment for water or electrical energy and for any service rendered in connection therewith, or from the sale, lease, or other disposition of any property acquired with funds or property of either of said utilities; from the proceeds of any bonds issued for the purpose of either of said utilities; or from any special taxes at any time authorized for the purposes of either of said utilities shall be exclusively devoted to and appropriated for the purposes of said utilities as in this Section required. However, nothing herein shall be deemed to prevent uses of such property for

purposes not inconsistent with the purpose for which such property is held. Funds of each utility shall be kept separate and shall be limited to the use of that utility. The funds of the water and the power utilities shall be known and designated as "Water Fund" and "Light and Power Fund," respectively. No transfer of real property, nor of any personal property exceeding in value \$10,000.00, shall be made from either of said utilities to the other or to any other department of the City in any manner other than by ordinance or resolution of the City Council.

(Sec. 1404 amended by vote of the people 3-9-1993.)

Section 1405. - THE USE OF FUNDS.

The funds derived from the water utility and the power utility shall be used only for the following purposes:

- (1) The necessary or proper expenses of conducting each utility; the operation and maintenance of its works, plants, and distributing systems; the acquisition and improvement of facilities; and the publishing of reports.
- (2) The payment of interest and principal on bonds issued for the purposes of said utility.
- (3) The formation of surplus or reserves for future needs of the said utility and for unforeseen emergencies.
- (4) Repayment of advances made from other funds of the City.

Section 1406. - INVESTMENT OF FUNDS.

On authorization of the City Council, any surplus utility funds may be invested in any bonds issued by the City of Pasadena, or any bonds issued by any school district situated in whole or in part in the City, or any bonds or certificates of indebtedness issued by the State of California or the United States, or in banks in interest-bearing accounts, and any such securities may be sold and the proceeds of such sale may be invested in other such securities. Interest earned from such funds shall go to the credit of the respective utility interest expense account. In authorizing the investment of any such surplus funds, preference over other securities shall be given by the City Council to the bonds of the City issued for the purposes of either utility. No officer shall be personally liable for any loss to the City arising out of any such investment, unless such loss shall be the loss of the securities themselves due to the negligence or malfeasance of such officer.

(Sec. 1406 amended by vote of the people 3-9-1993.)

Section 1407. - Reserved.

(Sec. 1407 repealed by vote of the people 11-3-2020)

Section 1408. - ANNUAL CONTRIBUTION FOR ANY MUNICIPAL PURPOSE.

Each fiscal year the City Council shall transfer from the Light and Power Fund an amount equal to twelve percent (12%) of the gross income of the electric works received during the immediately preceding fiscal year from the sale of electric energy at rates and charges fixed by ordinance. Said sum shall be transferred to the General Fund of the City by resolution not earlier than the receipt of the report by an independent certified public accountant on the examination of the books of account of the power utility nor later than the first day of June next succeeding the date of determination of the amount to be transferred. Nothing herein contained shall prohibit an advance of not to exceed seventy-five percent (75%) of the estimated amount prior to the receipt of the said report. The amount thus transferred may be expended for any municipal purpose.

Notwithstanding anything herein contained, if the City Council at the time of or before the adoption of the budget shall determine that the transfer of such amount from the Light and Power Fund would be detrimental to the proper functioning and administration of the power utility during the budget year under consideration, the City Council may so find by resolution, and, in such event, no transfer of such amount shall be made within that fiscal year. If the City Council shall determine that the transfer of an amount less than twelve percent (12%) from the Light and Power Fund would not be detrimental to the proper functioning and administration of the power utility during the budget year under consideration, the City Council may so declare by resolution, and shall transfer a smaller amount.

The City Council is authorized to set charges for electric service that, during the period when the charges are in effect, are sufficient to pay both the expenses of the power utility, as set forth in Section 1405, and all amounts that the City Council projects will be directed for transfer pursuant to this Section, before any adjustments based on the net income of the electric works.

(Sec. 1408 amended by vote of the people 3-5-2024; Sec. 1408 amended by vote of the people 11-3-2020; Sec. 1408 amended by vote of the people 3-9-1993; Sec. 1408 amended by vote of the people 6-6-1972.)

Section 1409. - OTHER APPROPRIATIONS.

Whenever the City Council determines that the surplus or reserve in the Light and Power Fund is in excess of reasonable future needs of the power utility, such excess may be appropriated for other municipal purposes, provided that such appropriation be made by an ordinance stating its purpose, and further provided that such ordinance shall not be effective until submitted to the people and approved by two-thirds of the qualified electors voting.

(Sec. 1409 amended by vote of the people 3-9-1993.)

Section 1410. - EMERGENCY USE OF FUNDS.

Any surplus or reserve in the Water Fund or the Light and Power Fund may temporarily be used for other municipal purposes in case there shall be insufficient funds in the City Treasury to pay the current expenses of the general government of the City before the collection of taxes levied in any fiscal year. In case moneys from either of said funds are used pending the receipt of taxes, the amount so used shall be repaid not later than February 15 of the same fiscal year.

Section 1411. - REVENUE BOND PURPOSES.

Revenue bonds for the purpose of providing moneys for the acquisition and construction of additions to, extensions, improvements, or repairs of the water works and electric works of the City, or the purchase for intertie purposes of undivided joint interests or rights of use in other generation or transmission facilities, constructed either by governmental agencies or investor-owned companies may be issued only as provided in this Article. Such revenue bonds shall not constitute an indebtedness of the City but shall constitute obligations which shall be payable principal and interest and any premiums upon the redemption of any thereof prior to maturity only from the fund derived from the public utility involved (the "Water Fund" established in this Article in the case of revenue bonds issued for waterworks purposes and the "Light and Power Fund" established in this Article in the case of revenue bonds issued for electric works purposes; and each of said funds may hereinafter in this Article be referred to as a "Revenue Fund"); provided, however, that this shall not preclude the payment thereof from the proceeds of bonds issued to refund said revenue bonds. Refunding bonds issued under this Article may be issued only as provided in this Article and shall be payable only from the fund from which the revenue bonds to be refunded are payable. No restrictions or limitations upon, or procedure for, the issuance of bonds in other articles of this Charter shall apply to such revenue bonds (including refunding revenue bonds) and this Article shall constitute complete authority for the issuance of such revenue bonds (including such refunding revenue bonds), and no action or proceeding not required by this Article shall be necessary for the valid authorization and issuance of such revenue bonds.

Section 1412. - REVENUE BOND ORDINANCE.

Whenever the City Council proposes the issue revenue bonds pursuant to this Article, it shall adopt an ordinance authorizing the issuance of such bonds which shall recite the objects and purposes for which the bonds are to be issued, the principal amount of the bonds, the maximum rate of interest to be paid, the date of issue of said bonds, the maturity dates thereof, and the fund from which the bonds and the interest thereon and premiums upon the redemption of any thereof are to be payable and such provisions authorized by Section 1413 of this Article as the City Council deems desirable. Said bonds shall be negotiable. The recitals of regularity of proceedings in any revenue bond issued and sold under this Article shall be conclusive evidence of compliance with the provisions of this Article and of the validity of such bond.

(Sec. 1412 amended by vote of the people 3-9-1993.)

Section 1413. - REVENUE BONDS: TERMS AND CONDITIONS.

In the ordinance authorizing the issuance of said bonds, the City Council may also fix additional terms and conditions thereof and may in any article, section or clause thereof make such provision as it may deem necessary or desirable to facilitate the issuance and sale of the bonds or for the protection or security of the holders thereof, including, without affecting the generality of the foregoing, provision for any or all of the following:

- (A) The denomination or denominations of the bonds, the medium payment thereof, the place or places of payment thereof, which may be within or without the State of California, the form of said bonds (including recitals of regularity) and of interest coupons pertaining thereto, the form, denomination, and conditions of any temporary bonds or interim certificates, and the manual and facsimile signatures to be affixed to said bonds or certificates (one signature upon which must be manual) and the manual or facsimile signature to be affixed to interest coupons.
- (B) The terms and conditions under which said bonds may be issued, sold, paid, redeemed before maturity (including the premiums, if any, to be payable upon bonds redeemed prior to maturity), exchanged, registered, transferred, and negotiated.
- (C)

Rates to be charged for services furnished by the public utility added to, extended, improved, or repaired with the proceeds of said bonds (or in the case of refunding bond, with the proceeds of the bonds to be refunded), such rates to provide revenue at least sufficient to pay, as the same become due, principal and interest of such bonds, and all other obligations payable from the Revenue Fund of such works (or from any fund derived therefrom) and the necessary expenses of maintaining and operating such works, and the extent to which such services may be furnished or rendered to the City or to any public corporation or body, free or at lower rates than otherwise charged.

- (D) The Revenue Fund from which said bonds and the interest thereon shall be paid; the collection, deposit, and safekeeping of the revenue; the permissible uses thereof, including restrictions upon or prohibitions against any contributions provided for in this Article; provided, however, that nothing in this Article or in any ordinance authorizing the issuance of revenue bonds hereunder or in any resolution or order in the revenue bond proceeding shall prevent, restrict, or prohibit the payment from the revenues of the necessary or proper expenses of maintenance and operation and conduct of the utility prior to the payment of principal and interest of the revenue bonds or the setting aside in the bond service, sinking, redemption, reserve, or other fund, monthly or otherwise, of funds therefor; the special fund or funds to be pledged and kept for the payment of principal and interest of the bonds, including reserve, sinking, bond service, redemption, and trust funds, and any revenue bond payable from the Revenue Fund of a public utility may be paid from any such special fund set up therefor; the permissible investments for monies in said funds or any thereof; the accounts and records to be kept, audits thereof and examination thereof by bondholders and others.
- (E) The carrying of insurance upon such public utility or any part thereof against any or all risks, and in case of loss the application of the insurance proceeds.
- (F) Prohibitions against or limitations upon the sale, lease, or other disposition of such public utility.
- (G) Prohibitions or limitations upon the issuance of any additional bonds payable from the revenues of the public utility so added to, extended, improved, or repaired with the proceeds of said bonds, but no bonds shall be issued pursuant to this Article or under any other provision of this Charter or any other law having any priority in payment of principal or interest out of such revenues over revenue bonds theretofore or thereafter issued and payable out of said revenues.
- (H) Provisions whereby the consent or agreement of a stated percentage or number of the holders of the bonds may bind all holders to modifications of the provisions of any ordinance, resolution, or order authorizing or providing for the issuance of such bonds, or to a refunding of said bonds and to calls or exchanges in connection with such refunding.

- (I) For the issuance of a duplicate in the manner and upon such terms and conditions as the City Council may determine, in the event any bond, temporary bond, coupon or interim certificate of any such issue is lost, stolen, destroyed, or mutilated.
- (J) Any other provision valid under the Constitutions of the State of California and the United States of America which the City Council deems necessary or desirable to facilitate the issuance and sale of said bonds or for the protection of holders thereof.

Such ordinance shall be subject to referendum in the manner that other ordinances of the City are subject to referendum. The ordinance authorizing the issuance of said bonds and all other ordinances, resolutions or orders in the proceeding for the issuance of said bonds shall constitute a contract with the holders of the bonds, and such contract may be enforced by any holder by mandamus, injunction, or any applicable legal action, suit, proceeding, or other remedy.

(Sec. 1413 amended by vote of the people 3-9-1993.)

Section 1414. - REVENUE BONDS: LIMITATIONS.

The following limitations shall apply to the issuance of bonds under this Article:

- (A) Said bonds shall be payable within not more than forty years from the date of issue thereof, and not less than one-fortieth part of the whole of any issue of bonds shall be payable annually beginning not later than ten years from the date of such issue.
- (B) Said bonds shall be designated "Revenue Bonds" and such bond shall state on its face that it does not constitute an indebtedness of the City of Pasadena but is an obligation payable, principal and interest, only from the Revenue Fund of the utility for which the proceeds of the bonds will be used.
- (C) Said bonds shall be sold only at public sale following such notice as the City Council by resolution or order may prescribe; provided, however, that if no satisfactory bid is received pursuant to such notice the City Council may reject all bids received, if any, and thereafter sell said bonds at public or private sale: provided, further, that the provisions of this subsection shall not apply to the exchange of any refunding bonds. Any such revenue bonds may be sold at a fixed rate of interest or the bidders may be invited to state the rate or rates of interest at which they will purchase said bonds, but no rate on any of the bonds shall exceed the maximum rate stated in the ordinance authorizing the issuance of such bonds. If the bidders are invited to state the interest rate or rates, then upon the acceptance of a bid the City Council shall by resolution or order, which shall not be subject to referendum, fix such interest rate or rates as have been bid by the successful bidder as the rate or rates of interest on the bonds.
- (D) Said bonds shall be sold for not less than par and accrued interest to date of delivery. The

proceeds from the sale (except premium and accrued interest which shall be paid into the Bond Service or other fund designated or established for the payment of principal and interest of the bonds) shall be paid into the construction fund designated by the ordinance authorizing the issuance of such bonds, and not into the "Water Fund" or the "Light and Power Fund," and shall be applied exclusively to the objects and purposes set forth in such ordinance; provided, however, (1) that the Revenue Fund from which the bonds are payable may be reimbursed from such proceeds for expenditures for purposes for which the bonds were issued made from such Revenue Fund after the ordinance authorizing the issuance of such bonds became effective, (2) that said proceeds may be used for the payment of interest on said bonds during the period of acquisition and construction and for the first six months thereafter, and (3) that when the objects and purposes for which the bonds were issued have been accomplished any remaining unexpended funds derived from the sale of said bonds shall be used for the payment of the principal and interest of said bonds.

(Sec. 1414 amended by vote of the people 3-9-1993.)

Section 1415. - REFUNDING BONDS.

Refunding bonds may be issued for the purpose of refunding any revenue bonds issued pursuant to this Article, and such refunding bonds may be issued in principal amount sufficient to refund the outstanding bonds proposed to be refunded thereby, including payments of accrued interest and of any premiums thereon. Refunding bonds shall be authorized, issued, and sold in the manner provided for the sale of other revenue bonds hereunder, or may be exchanged for the outstanding bonds to be refunded upon such terms and conditions as may be stated in the ordinance authorizing such refunding bonds.

Section 1416. - REVENUE BOND PROCEEDINGS: EFFECT OF.

To the extent that any provision of an ordinance authorizing the issuance of bonds pursuant to this Article or any provision of any ordinance, resolution or order pertaining to such bonds adopted pursuant to the authority of this Article is inconsistent with any of the provisions of any other Article of this Charter, the provisions of such ordinance, resolution, or order shall control so long as any of the bonds and interest coupons to which the same pertain are outstanding and unpaid. No bond shall be deemed to be outstanding and unpaid within the meaning of this Article if moneys for the purpose of paying the same or redeeming the same prior to maturity and sufficient therefor have been irrevocably set aside in a Bond Service Fund, sinking fund, redemption fund, or other trust fund created to insure the payment or redemption thereof.

ARTICLE XV - THE FIRE AND POLICE RETIREMENT SYSTEM

Section 1501. - RETIREMENT SYSTEM.

In order to continue in force, with such modifications as are set forth in this Article, provisions already existing for retirement and death benefits for members of the Fire and Police Departments of the City, the Pasadena Fire and Police Retirement System, hereinafter referred to as the Retirement System or the System, is hereby established. The legislative body of the city may exclude from membership in the Retirement System persons employed on a temporary or part-time basis, but for the purpose of Retirement System, persons serving a probationary period requisite to appointment to a regular position shall not be considered as on a temporary basis. The legislative body by a vote of not less than six of its members, is hereby empowered to enact any and all ordinances necessary to carry into effect the provisions of this Article provided that the said legislative body, through the Retirement Board, shall secure an actuarial report of the cost and effect of any proposed change in the benefits under the Retirement System, before the adoption of an ordinance to submit any proposed Charter amendment providing for such change.

(Sec. 1501 amended by vote of the people 11-3-1998.)

Section 1502. - RETIREMENT BOARD.

The Retirement System shall be managed by a Retirement Board hereby created, which shall be the successor to, and have the powers and duties of the Fire and Police Pension Board of the City of Pasadena, heretofore created and effective and now by this Article superseded by the Retirement Board. The Retirement Board shall consist of one member of the legislative body of the city to be selected by and to serve at the pleasure of the said legislative body, two qualified electors of the City of Pasadena not connected with the government thereof, to be appointed by the legislative body, and two members elected under the supervision of the Retirement Board pursuant to the process set forth in the Trustee Election Policy, provided that such policy is approved pursuant to a resolution of the Retirement Board after a comment period of no less than 30 days to solicit input from Retirement System members.

The term of office of the four members, other than the member appointed from the legislative body of the City, shall be four years, one term expiring each year. The members of the Retirement Board shall serve without compensation. The Retirement Board shall appoint a secretary to hold office at its pleasure, and when necessary employ a consulting actuary.

The Retirement Board shall have the sole power and authority under such general ordinances as may be adopted by the legislative body to hear and determine all facts pertaining to applications for and

awards of any benefits under the Retirement System, or any matters pertaining to the administration thereof. Said Retirement Board shall have exclusive control of the administration and investment of such fund or funds as may be established and all investments shall be subject to the same terms, limitations and restrictions as are imposed by the Constitution and laws of the State upon the investment of the Public Employees' Retirement System Funds, as now enacted or hereafter amended.

Disbursement of retirement funds shall be made upon demands duly audited in the manner prescribed in this Charter for disbursement of public funds. The City Treasurer shall be the custodian of any such retirement funds, subject to the control of the Retirement Board as to the administration and investment of said funds.

(Sec. 1502 amended by vote of the people 11-5-2024; Sec. 1502 amended by vote of the people 11-7-2000.)

Section 1503. - ACTUARIAL TABLES, RATES AND VALUATIONS.

The mortality, service and other tables and rates of contributions for members as recommended from time to time by the actuary and the valuations determined by him from time to time and approved by the Retirement Board shall be final and conclusive and the contributions of the City and members to the Retirement System shall be based thereon. The same actuarial tables, rates, valuations and assumptions, including but not limited to assumptions concerning future investment return and salary inflation, shall be used in calculating member contributions pursuant to Section 1509.9 hereof as are used in calculating city contributions pursuant to Section 1509.92 hereof.

The actuary shall, in valuing the system for any purpose hereunder, reflect as an asset all moneys in the unallocated interest earnings in excess of 2 percent of total assets excluding unallocated interest earnings.

(Amended by vote of the people 11-4-1980, effective January 1, 1981; Sec. 1503 amended by vote of the people 4-17-73, effective July 1, 1973.)

Section 1504. - DEFINITIONS.

- (a) "Compensation", as distinguished from benefits under the Workmen's Compensation laws of the State of California, shall mean the remuneration prescribed by the City in cash, without deduction except for absence from duty, for time during which the member, as herein defined, receiving such remuneration is in the employ of the City. Compensation based on overtime put in by a member shall be excluded from all computations in which compensation is a factor.
- (b) "Service" shall mean time during which a member is employed by City for compensation

excluding compensated time prior to becoming a member. Absence from duty without compensation due to any cause other than disability retirement as hereinafter provided, shall not be deemed service for the City. The legislative body, however, may fix the number of months per year to be required for a year of service and proportionate parts thereof, but not more than one year shall be credited for all service in any year.

- (c) "Compensation earnable" shall mean the compensation as determined by the Retirement Board, which would have been earned had the member received compensation without interruption throughout the period under consideration and at the rates attached to the ranks or position held by a member during such period. The computation for any absence of a member shall be based on the compensation earnable in the rank or position held by the member at the beginning of the absence and that for the time prior to becoming a member of the Fire or Police Department, shall be based on the compensation earnable by the member in the rank or position first held by the member in such Department.
- (d) "Retirement allowance", "death allowance", or "allowance" shall mean equal monthly payments for life unless a different term of payment is provided by the context, provided that any person to whom or on whose account benefits are payable, may elect to have the actuarial equivalent of the portion of such benefits which is not continued automatically to the member's surviving spouse or children, paid in different form, all subject to such restrictions, regulations and conditions as may be prescribed by the legislative body, but the action of the legislative body shall not prevent such benefits when elected by a member, from taking the form of cash refund annuities, as applied to the member's accumulated contributions only, or reversionary annuities, these terms to have the meaning commonly accepted in standard life insurance practice.
- (e) "Annuity" shall mean equal monthly payments for life, unless a different term of payment is provided by the context, derived from contributions made by the member.
- (f) "Final compensation" shall mean the highest average monthly compensation earnable by a member during any period of 12 consecutive months. In the calculation of "final compensation", periods of service separated by breaks in service may be aggregated to constitute a period of 12 consecutive months, if the periods of service are consecutive except for such breaks. If a break in service did not exceed 6 months in duration, time included in the break and compensation earnable during such time shall be included in the computation of final compensation. If a break in service exceeded 6 months in duration, only the first 6 months thereof and the compensation earnable during those 6 months shall be included in the computation of final compensation. For the purposes of this paragraph, absence from duty without compensation, because of disability retirement, is not a break in service.
- (g) "Employee" shall mean "officer or employee".

- (h) "Member" shall mean a member of the Retirement System unless clearly indicated otherwise.
- (i) "Interest" shall mean interest at the rate adopted by the Retirement Board.
- (j) The disability referred to herein as a basis for retirement shall mean disability of permanent duration, except disabilities determined by the Retirement Board, predicated upon best medical opinion, to be of an extended and indefinite duration.
- (k) For the purposes of the Retirement System, ages of members used in the calculation of allowances shall be taken to the next lower completed quarter year.
- (l) Any fire or police service performed outside the limits of the City by a member of the Retirement System under the orders of a superior officer of any such member, shall be considered as performed within the scope of a member's employment, and any disability or death incurred therein shall be covered under the provisions of the Retirement System.
- (m) For the purposes of the Retirement System, "member of the Fire Department" or "member of the Police Department", shall include any officer or employee of either of such departments whose principal duties are to prevent and extinguish fire or to preserve the peace, prevent injury to life and property, or to suppress crime or disorder, and shall exclude persons whose principal duties are those of civilian personnel such as, but not limited to, administrative analyst, training coordinator, technical specialist, housing inspector, telephone operator, clerk or stenographer, machinist or mechanic, or other similar duties clearly not falling within the foregoing regular fire or police duties, even though such persons may be called upon occasionally to perform such regular fire or police duties; provided that the foregoing exclusions shall not apply to members of the System who are reassigned to perform any of the excluded duties or transferred to another City department. After the effective date hereof, the maximum age at which any person, except a person employed as Chief of the Fire Department or Chief of the Police Department may become or reenter as a member of either the Fire or Police Department, shall be thirty-four years notwithstanding any of the other provisions of this Charter.
- (n) "Spouse" shall mean a male or female person legally married to a member and otherwise entitled to benefits as further provided herein.
- (o) "Handicapped dependent child" shall mean an unmarried natural child or an unmarried legally adopted child of a member who is physically or mentally handicapped as determined by standards established by ordinance, and who prior to reaching 21 years of age was so handicapped. Provided, that in order to be eligible for any benefits herein, an adopted handicapped dependent child must have been legally adopted by the member not less than 12 months preceding the retirement of the member or be legally adopted by the member at the time of his or her death occurring prior to retirement.

(Sec. 1504 amended by vote of the people 4-17-1973, effective July 1, 1973.)

Section 1505. - AGE EXCEPTION FOR TEMPORARY OR PART-TIME EMPLOYEES.

As an exception to the maximum age requirement of the preceding section, if the City Manager finds that persons under thirty-five years of age are not available for membership in either of said departments because of conditions brought about by war, he may employ a person over thirty-four years of age in either of said departments on a temporary or part-time basis and such person shall not be entitled to membership in the Retirement System. Authority given to the City Manager under this Section shall terminate after the expiration of one year after the end of the war on a date to be determined by the legislative body of the City.

Section 1506. - POST RETIREMENT SERVICE WITHOUT LOSS OF BENEFITS OR REINSTATEMENT.

A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system as follows:

- (A) As a member of the Fire and Police Retirement Board; or
- (B) Upon employment by the City to a position of a limited duration and requiring specialized skills or during an emergency to prevent stoppage of public business. Such an appointment shall not exceed a total of 960 hours in any calendar year; or
- (C) Upon appointment to a volunteer position as a member of a City commission, board or committee, or election to a City office.

(Sec. 1506 amended by vote of the people 11-7-2000.)

Section 1507. - REDUCTION OF BENEFITS.

That portion of any allowance or other benefit which is provided by contributions of the City, payable by the Retirement System because of the death or retirement of any member shall be reduced, in the manner fixed by the legislative body, by the amount of any pension, except social security payments or pensions paid on account of service in the military or naval forces of the United States, paid to or on account of the death of such member from funds of the United States, State of California or any political subdivision thereof, on account of, or on the basis of service credited under the Retirement System.

(Sec. 1507 amended by vote of the people 4-17-73, effective July 1, 1973.)

Section 1507.1. - CONFORMITY WITH THE UNITED STATES INTERNAL REVENUE CODE.

Notwithstanding any other provision of law, the benefits payable to any person who became a

member prior to January 1, 1990 shall be subject to the greater of the following limitations as provided in Section 415(b)(10) of the Internal Revenue Code:

- (a) The limitations set forth in Section 415 of the Internal Revenue Code.
- (b) The accrued benefit of a member under this system, determined without regard to any amendment to the system made after October 14, 1987.
- (c) Notwithstanding any other provision of this Article, the benefits payable to any person who for the first time becomes a member on or after January 1, 1990 shall be subject to the limitations set forth in Section 415 of the Internal Revenue Code.

(Sec. 1507.1 approved by vote of the people 3-5-91, effective June 5, 1991.)

Section 1508. - EXISTING ALLOWANCES.

- (a) Retirement or death allowances existing in favor of or on account of members of the Fire or Police Departments at the time of the effective date of this Article, shall be continued in force, including a remarried widow during any period of time when she is unmarried by reason of the death of, annulment or divorce from a succeeding husband, and shall be paid by the Retirement System. Allowances which were effective, because of a member's retirement or death before retirement, after November 5, 1968, and prior to the effective date hereof, shall be adjusted to the new basis of all benefits provided in this Article XV upon the election by the member or surviving wife to accept the modifications provided in this amendment.
- (b) Every retirement or death allowance presently payable pursuant to the 1935 System as heretofore modified for time, to or on account of a person who died as a member or retired on or after July 1, 1935, and prior to the effective date of this section, shall from and after the effective date hereof and upon the election by the member or his surviving wife within 180 days of the effective date of this amendment, be adjusted annually in accordance with Section 1509.8 hereof. Such annual adjustments shall not be retroactive but shall only be from and after the effective date hereof.
- (c) The provisions of these subparagraphs (a) and (b) do not apply to persons receiving benefits pursuant to Charter provisions in effect prior to July 1, 1935, nor to any widow of a member who had remarried on or before November 5, 1968, and whom the member's contributions had been paid.

Section 1509. - BENEFIT AND CONTRIBUTION REQUIREMENTS.

Persons who shall be members of the Fire and Police Retirement System on the effective date hereof shall remain members of the System upon such date and shall retain all rights under the System theretofore in effect. All persons who shall become members of the Fire or Police Departments after the

effective date hereof, shall become members of the Retirement System forthwith and all members of the System who elect to take the new benefits and pay the contributions required from the effective date of the amendment shall be subject to the provisions of this Article XV, as modified by this amendment.

Section 1509.1. - SERVICE RETIREMENT; 15 YEARS SERVICE; AGE 50.

Members may retire upon or after attaining age 50 provided that a member shall at the effective date of election to retire have rendered at least 15 years of service.

Section 1509.12. - SERVICE RETIREMENT; 25 YEARS SERVICE.

Notwithstanding any other provision of this Charter, members may exercise their option to retire provided they shall at the effective date of election to retire have rendered at least 25 years of service.

Section 1509.13. - SERVICE RETIREMENT; COMPULSORY AT AGE 60.

(Repealed by vote of the people on 11-7-2000.)

Section 1509.14. - SERVICE RETIREMENT; DISMISSAL.

Dismissal of a member from service for any cause after the member has qualified as to age and service for service retirement shall not deprive such member of the right to retire for service.

Section 1509.15. - SERVICE RETIREMENT: RETIREMENT ALLOWANCE.

(A) Members have the optional right to retire for service as set forth herein upon electing the right to so retire and upon retirement for service shall receive a service retirement allowance equal to 1/50 of the member's final compensation, times the member's number of years of service, times an actuarial equivalent at his or her actual retirement age as set forth in the following table, provided that in no event shall the initial service retirement allowance exceed seventy-five percent (75%) of the member's final compensation:

Age At Retirement	Actuarial Equivalent
46	.8226
47	.8678
48	.9085

49	.9522
50	1.0000
51 and over	1.0516

(B) The following table of age at retirement and actuarial equivalents shall be operative in whole or in part to the calculations set forth in subsection (A) of this Section when the cost to the City as contributions for current and past service, including benefits added by modification of the System from time to time, excluding contributions of City concerning charter provisions in effect prior to July 1, 1935, does not exceed 15.50 percent of members' compensation paid during the said year the following table becomes operative. If, as the result of a periodical actuarial valuation and investigation taking into consideration reductions in prior service obligations of City and the earnings of the Fund, the foregoing conditions are met, the City Council shall, by ordinance or resolution, establish the effective date of the new retirement rates, which date shall be within 90 days of the filing of the said actuarial report.

Said equivalents shall be applicable only to those members retiring after said valuation, investigation and determination by the said City Council and subject to the formula and limitations of subsection (A) of this Section:

Age At Retirement	Actuarial Equivalent
52	1.1078
53	1.1692
54	1.2336
55 and over	1.3099

(Sec. 1509.15 amended by vote of the people 3-9-1993: Sec. 1509.15 amended by vote of the people 4-17-1973, effective July 1, 1973.)

Section 1509.3. - SERVICE CONNECTED DISABILITY RETIREMENT.

Members shall be retired for disability, regardless of age or amount of service, if incapacitated for the performance of duty as the result of injury or illness incurred in the performance of duty. A member may accept a transfer or reassignment to another City department. Such transfer or reassignment shall not prejudice the member's right to such disability retirement upon his subsequent separation from service with the City. In event of reassignment, the member shall retain the classification held at time of reassignment and shall receive the salary attached to that classification.

(Sec. 1509.3 amended by vote of the people 4-17-1973, effective July 1, 1973.)

Section 1509.31. - SERVICE CONNECTED DISABILITY RETIREMENT; ALLOWANCE.

Upon retirement for disability resulting from injury or illness incurred in performance of duty, members shall receive a disability retirement allowance of 50 percentum of the member's final compensation. Provided, if such member might otherwise elect to retire for service at a greater retirement allowance pursuant to the provisions hereof, and should said member elect to receive a disability allowance, then the disability retirement allowance payable to the member shall be in an amount not less than that sum the member would have received had an election been made to receive a retirement for service allowance. Such election shall be irrevocable by the member thereafter.

(Sec. 1509.31 amended by vote of the people 4-17-1973, effective July 1, 1973.)

Section 1509.32. - NON-SERVICE CONNECTED DISABILITY RETIREMENT.

Members shall be retired regardless of age but only after ten years of service to the city in either or both the Fire and Police Departments if incapacitated for the performance of duty as the result of an injury or illness not incurred in the performance of duty. A member may accept a transfer or reassignment to another City department. Such transfer or reassignment shall not prejudice the member's right to such disability retirement upon his subsequent separation from service with the City. In event of reassignment, the member shall retain the classification held at time of reassignment and shall receive the salary attached to that classification.

(Sec. 1509.32 amended by vote of the people 4-17-1973, effective July 1, 1973.)

Section 1509.33. - NON-SERVICE CONNECTED DISABILITY RETIREMENT; ALLOWANCE.

Upon retirement for disability resulting from injury or illness not incurred in the performance of duty, a member shall receive a disability retirement allowance of 1-½ percentum of the member's final compensation, multiplied by the number of years of service credited to the member if such allowance

exceeds $\frac{1}{4}$ of the member's final compensation; otherwise, $1\frac{1}{2}$ percentum of the member's final compensation, multiplied by the number of years which would be creditable to the member were the member's service to continue until the member's attainment of the age of 55 years, but such allowance shall not exceed $\frac{1}{4}$ of the member's final compensation. If such member might otherwise elect to retire for service at a greater retirement allowance pursuant to the provisions hereof, he shall elect either the higher service retirement allowance or the disability retirement. Such election shall be irrevocable by the member thereafter.

(Sec. 1509.33 amended by vote of the people 4-17-1973, effective July 1, 1973.)

Section 1509.34. - DISABILITY; REINSTATEMENT.

If the disability for which a member was retired shall cease to the extent necessary to enable him to perform the duties of the rank or position he held at the time of retirement, the member's allowance shall cease at the option of the Retirement Board, and the member shall be reinstated at the rank and in a position of the same grade as the member occupied at the time of retirement. The member's individual account shall be credited with an amount which is the actuarial equivalent of the member's annuity at the time as based on a disabled life, but not exceed the amount of the member's accumulated contributions at the time of the member's retirement for disability. The amount so credited to the member's individual account shall be administered as contributions deducted from the member's compensation. Upon retirement at any time thereafter, the member shall receive service credit for the time during which the member was retired for disability, but the member shall not be required to make contributions for such time. If, following reinstatement, the member does not enter upon the duties of the member's position, and is not qualified for service retirement, the member shall be subject to the provisions of Section 1509.4 hereof. This Section shall not apply to any member who shall have been qualified for and who shall have elected previously service retirement rather than disability retirement.

Section 1509.4. - DEFERRED RETIREMENT.

Should any member be separated from service of the City through any cause other than death or retirement, then all of the member's contributions, with interest, shall be refunded to the member, provided that if such member is entitled to be credited with at least ten years of service, the member shall have the right to elect within ninety days after said termination of service, whether to allow the member's accumulated contributions to remain in the Retirement Fund. Such election shall become void upon such person's employment in a position requisite for membership in this System, and may be revoked by such person at any time prior thereto. Upon such revocation, the member's accumulated contributions shall be refunded to the member. Failure to make an election during the said 90-day period shall be deemed an irrevocable election to withdraw the member's accumulated contributions.

A member whose membership continues under this section is subject to the same age requirement as applies to other members for service retirement, but is not subject to a minimum service requirement. After the qualification of such member for retirement by reason of age for service retirement and only then, the member shall be entitled to receive a retirement allowance based upon the amount of the member's accumulated contributions and service standing to the member's credit at the time of retirement and on the employer contributions held for the member and calculated in the same manner as for other members.

Section 1509.41. - REENTRY; ADJUSTMENT OF CONTRIBUTION RATE.

If a member who has separated from service and who has elected to continue his membership pursuant to Section 1509.4 shall again become an employee of either the Fire Department or the Police Department, on reentry the member's rate of contributions for the future shall be adjusted by the actuary as necessary, by adding to his original age for contribution purposes the number of years said member was out of service in either the Fire Department or the Police Department.

Section 1509.5. - REFUND OF CONTRIBUTIONS.

Member's contributions made under Sections 1509.81 and 1509.9 hereof, shall be credited to the individual account of the member from whose compensation they were deducted, and no amendment to this Charter or repeal thereof shall prevent the payment to the member or member's beneficiary, of such contributions made prior to the effective date of such amendment or repeal, with interest, upon separation from service of the City, for reason by other than retirement, as provided herein, or the application of such contributions, with interest, toward providing the member's retirement or death allowance, as the case may be.

Section 1509.6. - RETIREMENT ALLOWANCE; DEPENDENT CONTINUATION OF AT DEATH OF MEMBER.

- (a) Upon the death of any member receiving a retirement allowance pursuant to the provisions of Sections 1509.1, 1509.12, 1509.15, 1509.33 or 1509.4 hereof, 60% of the member's retirement allowance shall, if not modified in accordance with one of the optional settlements now or hereafter specified by ordinance, be continued throughout the life of the surviving spouse.
- (b) Upon the death of any member receiving a service connected disability retirement allowance pursuant to the provisions of Sections 1509.3 and 1509.31 hereof, 100% of the member's retirement allowance shall be continued throughout the life of the surviving spouse.
- (c) If there be no surviving spouse, then the allowance which would otherwise be paid to the surviving spouse had he or she qualified and lived and not remarried, shall be paid to such child or children under said age of 21 years, collectively, to continue until every such child dies

or attains age 21 or marries provided that no child shall receive any allowance after marrying or attaining the age of 21 years. No allowance shall be paid under this Section to a surviving spouse unless the surviving spouse was married to the member at least one year prior to said member's date of retirement.

(Sec. 1509.6 amended by vote of the people 3-4-03)

Section 1509.61. - REFUND OF DEPENDENT CONTRIBUTIONS; TO DEPENDENT.

If the payment of the allowance for surviving spouse or child or children of a member as set forth in Section 1509.6 hereof terminates by death of the spouse and because of the death, attainment of age 21 by or marriage of every child or children before the sum of the monthly payments made shall equal the sum of the member's dependent contributions, with interest thereon, as it was at the member's retirement, then an amount equal to the difference between said sums shall be paid in one amount to the surviving children of the deceased member, share and share alike.

(Sec. 1509.6 amended by vote of the people 4-17-1973, effective July 1, 1973.)

Section 1509.62. - REFUND OF DEPENDENT CONTRIBUTIONS; TO MEMBER.

If at the date of retirement for service or disability, service connected or non-service connected, a member has no spouse or child or children qualifying under this Article XV for dependent continuation allowance, the dependent contributions made by the member, with accumulated interest thereon, shall be paid to the member upon said date.

(Sec. 1509.62 amended by vote of the people 4-17-1973, effective July 1, 1973.)

Section 1509.7. - DEATH OF MEMBER PRIOR TO RETIREMENT; DEATH BENEFIT.

Upon the death of a member, before retirement, the Retirement System shall be liable for and shall pay a death benefit consisting of either or both of the following:

- (a) The member's accumulated contributions, with interest thereon, to be paid to the member's estate or to such person having an insurable interest in the life of the member if the member shall nominate by written designation duly executed and filed with the Retirement Board.
- (b) An amount of money equal to the member's compensation earnable during the 6 months immediately preceding the death of the member to be paid only to the member's surviving spouse, child or children or dependent father or mother.

The foregoing death benefits shall be paid in monthly installments in accordance with Sections

1509.71 and 1509.72 hereof, except where a lump sum is specified.

Section 1509.71. - SERVICE CONNECTED DEATH; PRIOR TO RETIREMENT.

If, in the opinion of the Retirement Board, the death of a member, prior to retirement be the result of injury or illness, incurred in the performance of duty, the Retirement System shall be liable for and shall pay as follows:

- (a) An amount sufficient, when added to the amounts provided in Section 1509.7 (a) and (b), but excluding the member's accumulated additional contributions, to provide when applied according to the tables and rates recommended by the actuary and approved by the Retirement Board, a monthly death benefit allowance equal to 1/2 of the member's final compensation, to be paid to the surviving spouse to whom said member was married at the time of sustaining the said injury or illness, to continue throughout his or her life or until he or she remarries; or if there be no surviving spouse, or if he or she dies or remarries before every unmarried child of such deceased member shall have attained the age of 21 years, then to such child or children under said age collectively, to continue until every such child dies, attains said age, or marries, or unless the subsequent marriage of the spouse is terminated by the death of, annulment or divorce from the succeeding husband or wife; provided that no child shall receive any allowance after attaining the age of 21 years or marriage. If payment of the allowance be stopped because of the death of the surviving spouse and attainment of the age of 21 years by or marriage of a child before the sum of the monthly payments shall equal the sum of the amounts provided in Section 1509.7 (a) and (b), then an amount equal to the difference between said sum shall be paid in one amount to the surviving children of the deceased member share and share alike.

The remarried spouse shall have the right to receive a continuation of his or her monthly allowance during any period of time in the future when he or she is unmarried by reason of the death of, annulment or divorce from a succeeding husband or wife. The spouse shall have no right to withdraw the said remaining balance, if any, of Section 1509.7 (a) and (b).

(Sec. 1509.71 amended by vote of the people 4-17-73, effective July 1, 1973.)

Section 1509.72. - NON-SERVICE CONNECTED DEATH; PRIOR TO RETIREMENT.

- (a) If, in the opinion of the Retirement Board, the death of a member, prior to retirement hereunder, be not the result of injury or illness incurred in the performance of duty, and if said member be qualified at the date of death for retirement for service, pursuant to this Article XV, then, the Retirement System shall be liable for and shall pay an amount sufficient, when added to the amounts provided in Section 1509.7 (a) and (b) hereof, to provide an allowance to be

paid to the surviving spouse to whom said member was married at least one (1) year prior to his or her death, to be equal in amount to the allowance which would have been payable to the spouse if the said member had retired for service at the time of said member's death and had died instantly thereafter, and to continue throughout the spouse's life or until remarriage, or if there be no surviving spouse, or if he or she dies or remarries before every unmarried child of such deceased member shall have attained the age of 21 years, then to such child or children under said age collectively, to continue until every child dies, attains said age, or marries, or unless the subsequent marriage of the spouse is terminated by the death of, annulment or divorce from a succeeding husband or wife; provided that no child shall receive any allowance after attaining the age of 21 years or by marriage. If payment of the allowance be stopped because of death of the spouse and attainment of the age of 21 years or by marriage of every child before the sum of the monthly payments shall equal the sum of the amounts provided in Section 1509.7 (a) and (b), then an amount equal to the difference between said sum shall be paid in one amount to the surviving children of the deceased member, share and share alike.

The remarried spouse shall have the right to receive a continuation of his or her monthly allowance during any period of time in the future when he or she is unmarried by reason of the death of, annulment or divorce from a succeeding husband or wife. The spouse shall have no right to withdraw the said remaining balance, if any, of Section 1509.7 (a) and (b).

- (b) If, in the opinion of the Retirement Board, the death of a member prior to retirement hereunder be not the result of injury or illness incurred in the performance of duty, and if said member has prior to death made an unrevoked election to continue membership in the System in accordance with Section 1509.4 hereof, the Retirement System shall be liable for and shall pay in a lump sum a death benefit according to and equal to Section 1509.7 (a).
- (c) If, in the opinion of the Retirement Board, the death of a member prior to retirement hereunder be not the result of injury or illness incurred in the performance of duty and said member was an employee at the date of death and if Sections 1509.71 and 1509.72 (a) or (b) hereof do not apply, the Retirement System shall be liable for and shall pay in a lump sum a death benefit consisting of the benefits referred to in Section 1509.7 (a) and (b).

(Sec. 1509.72 amended by vote of the people 4-17-1973, effective July 1, 1973.)

Section 1509.73. - CONTINUATION OR EXTENSION OF BENEFITS TO HANDICAPPED DEPENDENT CHILDREN.

Notwithstanding anything to the contrary herein, benefits payable herein to an unmarried child under the age of 21 years shall not terminate or otherwise be withheld or denied regardless of age, if such person shall be a handicapped dependent child as defined in Section 1504. Should said child be

determined to be a handicapped dependent child then benefits otherwise payable to an unmarried child under the age of 21 years shall continue or be initiated regardless of age, for so long as said child remains an unmarried handicapped dependent child. The City Council shall establish, by ordinance, standards and procedures for the determination and termination of eligibility for benefits payable herein to handicapped dependent children. The Retirement Board shall determine eligibility for benefits payable to a handicapped dependent child in accordance with the aforesaid ordinance standards and procedures.

(Sec. 1509.73 amended by vote of the people 3-9-1993; Sec. 1509.73 approved by vote of the people 4-17-1973, effective July 1, 1973.)

Section 1509.8. - COST OF LIVING INDEX.

The Retirement Board shall, before April 1970, and before April of each year thereafter, determine whether there has been an increase or decrease in the cost of living as provided by this Section. Every retirement allowance, death allowance or allowance payable monthly to or on account of any member who has elected to take the modified system, and who retires or dies or who has retired or died shall be increased or decreased as of July 1 of each year, commencing July 1, 1970, by a percentage of the total allowance then being received found by the Board to approximate the nearest one per cent of the percentage of annual increase or decrease in the cost of living as of January 1 of that year as shown by the then current Bureau of Labor Statistics Consumers Price Index for the Los Angeles-Long Beach Metropolitan Area.

Section 1509.81. - COST OF LIVING BENEFITS; FUNDING OF.

For the purpose of paying increased benefits according to Section 1509.8 hereof, the City and members shall, for the 10 consecutive years ending June 30, 1987, each contribute to the Retirement Fund an amount equal to 2.5% of the member's compensation and thereafter, the City and members shall each contribute to said Retirement Fund either an amount equal to 2.5% of the member's compensation or an amount equal to that percentage of the member's compensation as determined by and based upon an actuarial reserve basis pursuant to the then current actuarial studies at the discretion of the City Council for such period of time as the said City Council shall determine. The required contributions of members shall be required as a deduction from the compensation of each member.

(Sec. 1509.81 amended by vote of the people 3-9-1993; Sec. 1509.81 amended by vote of the people 4-19-1977, effective July 1, 1977.)

Section 1509.9. - NORMAL EMPLOYEE CONTRIBUTIONS.

The normal rates of contributions by members to the Retirement System shall be such as will provide an average annuity at age 50 equal to 1/100 of the final compensation of members according to the tables adopted by the Retirement Board and modified from time to time pursuant to this Article, for each year of service rendered after entering the System, and shall be required as a deduction from the compensation of each member throughout the member's membership.

Section 1509.91. - COSTS OF SYSTEM.

All costs of administering the System shall be charged to the System and not to the City, including administration, investment costs, and actuarial reports.

Section 1509.92. - CITY CONTRIBUTIONS.

City contributions for service retirement benefits, including those for members retiring for disability at age 50 and over, shall be determined on the basis of a normal contribution rate which shall be computed as a level percentage of compensation which, when applied to the future compensation of the average new member entering the system, together with the required member contributions, will be sufficient to provide for the payment of all prospective benefits of such member. The portion of liability not provided by the normal contributions shall be amortized over a 30-year period ending June 30, 2007. This method is commonly referred to as the Entry Age Normal Cost Funding Method.

City contributions for death and disability, excluding retirement for disability age 50 and over, shall be equal to the amounts actually disbursed for such deaths or disabilities during the year not provided by member contributions.

(Sec. 1509.92 amended by vote of the people 4-19-1977, effective July 1, 1977.)

Section 1509.93. - PERIODIC ACTUARIAL INVESTIGATION.

Periodically, at periods fixed by the legislative body, the Retirement Board shall make an actuarial investigation into the mortality, service and other experience under the System, and, further, shall make an actuarial valuation of the assets and liabilities of the System, and upon the basis of such investigation and valuation as interpreted by the actuary, any necessary revision of the tables and rates being used under the System shall be made by the Retirement Board. No adjustment will be included in members' new rates of contribution resulting from said periodical investigation, Charter or ordinance amendments, or other cause, for time prior to the effective date of such new rates.

Section 1510. - MILITARY LEAVE OF ABSENCE, CONTRIBUTIONS AND CREDITS.

Any member on or who has been on military leave of absence from duty may make payments to the

Retirement Fund of all or any part of the normal contributions which would have been deducted from the member's compensation had the member been on duty. The legislative body by ordinance shall determine how and when such payment shall be made. All such payments shall be matched by contributions of the City to the Retirement Fund, and such member shall receive credit for such payments and matching contributions of the City, and for the time during which a member is or has been on military leave of absence from duty.

Section 1511. - ELECTION TO JOIN PUBLIC EMPLOYEES' RETIREMENT SYSTEM.

The legislative body of the City shall have the power to authorize any member of the Retirement System to join the Public Employees' Retirement System, provided the membership of the Retirement System has first complied with any election requirements or other conditions prescribed by the Public Employees' Retirement System Act, as now enacted or hereafter amended.

Effective July 1, 1977, all new members of the Fire Department or Police Department shall become members of the said Public Employees' Retirement System as established by contract between the City and State. Every active member of the Fire and Police Retirement System shall become a member of said State System unless the member waives the said State System. A member waiving said State System shall remain a member of the Fire and Police Retirement System. City may withdraw from the System employer and employee contributions determined by the State actuary to be required to fund prior service benefits for those members transferring into the State System.

(Sec. 1511 amended by vote of the people 419-1977, effective July 1, 1977.)

Section 1512. - EFFECTIVE DATE.

This amended Article XV shall become effective and operative on the first day of July, 1969.

ARTICLE XVI - PARK PRESERVATION

Section 1601. - USE AND DISPOSITION OF PARK PROPERTY.

All dedicated park land owned by the City shall be used only for park and recreational purposes, and shall not be sold, transferred or used for other purposes, except upon the approval of a majority of the voters at an election held for such purpose. The city Council shall adopt by ordinance regulations to preserve and protect such dedicated park land. For purposes of this Charter, "dedicated park land" means property now owned or hereafter acquired which has been dedicated by ordinance and used for park and recreation use.

Nothing in this Article shall supercede the provisions of Article XIV of this Charter, nor shall it prohibit or preclude the transfer between the funds or the general fund of real property paid for out of the Water or Light and Power Funds of City without a vote of the people, so long as the use is compatible with park and recreation use in the discretion of the City Council.

As used in this Article, "park and recreation use" means and includes active recreation uses such as organized and leisure athletic and sports activity and unorganized play; cultural activities such as plays, concerts, festivals, exhibitions and shows; passive recreational activities such as picnics and public gatherings; the use of existing structures by community organizations; commercial activities incidental to park and recreational activities such as the sale of food and beverages; and parking.

(Sec. 1601 amended by vote of the people 3-9-1993: Sec. 1601 approved by vote of the people 11-4-1980, effective January 1, 1981.)

Section 1602. - STREETS—OPENING AND WIDENING.

The City Council may, without a vote of the people, authorize by resolution the opening and widening of streets or the installation of public utilities or sanitary sewers through dedicated park land by the City. After notice and hearing and upon a finding that the public interest requires such action, said resolution shall be adopted by vote of not less than 2/3rds of the members of the City Council. The City Council may impose terms and conditions upon the authorization consistent with this Article.

(Sec. 1602 amended by vote of the people 3-9-1993: Sec. 1602 approved by vote of the people 11-4-1980, effective January 1, 1981.)

Section 1603. - PRESERVATION OF PARK PROPERTY.

When dedicated park land is sold or its use changed pursuant to the provisions of Section 1601, land of comparable area or value in the same region of the City shall be acquired or dedicated for park purposes, unless otherwise approved by the voters at said election. If replacement is impractical, the market value of such land shall be placed in a "Park Acquisition Fund" for park acquisition or development as the City Council may determine.

(Sec. 1603 amended by vote of the people 3-9-1993; Sec. 1603 approved by vote of the people 11-4-1980, effective January 1, 1981.)

ARTICLE XVII - TAXPAYER PROTECTION

Section 1701. - TITLE.

This Article shall be known as the City of Pasadena Taxpayer Protection Act.

(Sec. 1701 amended by the vote of the people 11-7-2006)

Section 1702. - FINDINGS AND DECLARATIONS.

- (a) The people of the City of Pasadena ("City") find that the use or disposition of public assets are often tainted by conflicts of interest among local public officials entrusted with their management and control. Such assets, including publicly owned real property, land use decisions conferring substantial private benefits, conferral of a franchise without competition, public purchases, taxation, and financing, should be arranged strictly on the merits for the benefit of the public, and irrespective of the separate personal or financial interests of involved public officials.
- (b) The people find that public decisions to sell or lease property, to confer cable, trash hauling and other franchises, to award public construction or service contracts, or to utilize or dispose of other public assets, and to grant special land use or taxation exceptions have often been made with the expectation of, and subsequent receipt of, private benefits from those so assisted to involved public "decision makers." The people further find that the sources of such corruptive influence include gifts and honoraria, future employment offers, and anticipated campaign contributions for public officials who are either elected or who later seek elective office. The trading of special favors or advantage in the management or disposal of public assets and in the making of major public purchases compromises the political process, undermines confidence in democratic institutions, deprives meritorious prospective private buyers, lessees, and sellers of fair opportunity, and deprives the public of its rightful enjoyment and effective use of public assets.
- (c) Accordingly, the people declare that there is a compelling state interest in reducing the corruptive influence of emoluments, gifts, and prospective campaign contributions on the decisions of public officials in the management of public assets and franchises, and in the disposition of public funds. The people, who compensate public officials, expect and declare that as a condition of such public office, no gifts, promised employment, or campaign contributions shall be received from any substantial beneficiary of such a public decision for a reasonable period, as provided herein.

Section 1703. - DEFINITIONS.

- (a) As used herein, the term public benefit does not include public employment in the normal course of business for services rendered, but includes a contract, benefit, or arrangement between the City and any individual, corporation, firm, partnership, association, or other

person or entity to:

- (1) provide personal services of a value in excess of \$25,000 over any 12 month period,
 - (2) sell or furnish any material, supplies or equipment to the City of a value in excess of \$25,000 over any 12 month period,
 - (3) buy or sell any real property to or from the City with a value in excess of \$25,000, or lease any real property to or from the City with a value in excess of \$25,000 over any 12 month period,
 - (4) receive an award of a franchise from the City to conduct any business activity in a territory in which no other competitor potentially is available to provide similar and competitive services, and for which gross revenue from the business activity exceeds \$50,000 in any 12 month period,
 - (5) confer a land use variance, special use permit, or other exception to a pre-existing master plan or land use ordinance pertaining to real property where such decision has a value in excess of \$25,000,
 - (6) confer a tax abatement, exception, or benefit not applicable to the public generally, of a value in excess of \$5,000 in any 12 month period,
 - (7) receive cash or specie of a net value to the recipient in excess of \$25,000 in any 12 month period.
 - (8) For purposes of this section, other than subdivision 6, no person need track public benefits of less than \$5,000 unless it is reasonably foreseeable that the amounts under \$5,000 will cumulate in excess of the thresholds set forth in Section 1703 (a)(1)-(5) and (7), in any 12 month period.
 - (9) The City shall adjust the amounts in this Section 1703(a) on July 1 every five years starting in 2010 to reflect any increase or decrease in the Consumer Price Index. Those adjustments shall be rounded to the nearest one thousand dollars (\$1,000).
- (b) Those persons or entities receiving public benefits as defined in Section 1703(a)(1)-(7) shall include the individual, corporation, firm, partnership, association, or other person or entity so benefiting, and any individual or person who, during a period where such benefit is received or accrues,
- (1) has more than a ten percent (10%) equity, participation, or revenue interest in that entity, or
 - (2) who is a trustee, director, partner, or officer of that entity except for such persons from an organization that is exempt from income taxes under Section 501(c)(3), (4), or (6) of the Internal Revenue Code. However, this exception shall not apply to trustees, directors, partners, or officers of such organizations that are political committees or control political

committees as defined by California Government Code Section 82013 or 2 U.S.C. 431(4).

Any person who is exempted by this subdivision shall still be considered a public benefit recipient for the purposes of disclosure under Section 1705(b) and (c).

(c) As used herein, the term personal or campaign advantage shall include:

- (1) any gift, honoraria, emolument, or personal pecuniary benefit of a value in excess of \$50;
- (2) any employment for compensation;
- (3) any campaign contributions for any Pasadena City elective office said official may pursue or for any City ballot measure committee controlled by the official. Any Pasadena City official who receives contributions for a campaign outside of the City from a person or entity who has obtained public benefits shall not subsequently use or transfer such contributions to any election for a Pasadena City race.

(d) As used herein, the term public official includes any elected or appointed public official acting in an official capacity.

(Sec. 1703 amended by the vote of the people 11-7-2006)

Section 1704. - CITY PUBLIC OFFICIAL SHALL NOT RECEIVE PERSONAL OR CAMPAIGN ADVANTAGE FROM THOSE TO WHOM THEY ALLOCATE PUBLIC BENEFITS.

(a) No City public official who has exercised discretion to approve and who has approved or voted to approve a public benefit as defined in Section 1703(a) may receive a personal or campaign advantage as defined in Section 1703(c) from a person as defined in Section 1703(b) for a period beginning on the date the official approves or votes to approve the public benefit, and ending no later than:

- (1) one year after the expiration of the term of office that the official is serving at the time the official approves or votes to approve the public benefit;
- (2) one year after the official's departure from his or her office whether or not there is a pre-established term of office; or
- (3) five years from the date the official approves or votes to approve the public benefit; whichever is first.

(b) Section 1704(a) shall also apply to the exercise of discretion of any such public official serving in his or her official capacity through a redevelopment agency, or other public agency, whether within or without the territorial jurisdiction of the City either as a representative or appointee of the City. Section 1704(a) shall apply to agencies outside the City on which a City public official serves only if the outside agency voluntarily provides to the City the information in Section 1703 for those public benefits granted by the outside agency.

(c) When the public official, other than a member of the City Council or a person appointed to a

City Commission, acts in his or her capacity as an employee of the City, the time restrictions in Section 1704(a) shall apply for one year after the City employee departs from his or her office or for two years from the date the City employee approves the public benefit, whichever comes first.

- (d) No person or entity who bids on a contract with the City, or enters into a lease agreement or land sales agreement with the City, with a value in excess of \$25,000, which requires approval by the City Council, shall make any campaign contribution to any member of or candidate for the City Council, or committee controlled by the member or candidate, from the time the Request for Proposal or other bid process has been issued or from the time negotiations commence, whichever is earlier, until the negotiations have terminated. The prohibition on campaign contributions set forth in the preceding sentence shall also apply to trustees, directors, partners, officers, and 10% equity, participation, or revenue interest holders of the entity bidding on a contract with the City, but shall not apply to employees of the entity who are not trustees, directors, partners, officers, and 10% equity, participation, or revenue interest holders of the entity. When negotiations have terminated, this Article continues to apply to the public benefit recipient. This section does not apply to low bid contracts as defined by the City Charter.

(Sec. 1704 amended by the vote of the people 11-7-2006)

Section 1705. - APPLICABLE PUBLIC BENEFICIARIES SECTION. RESPONSIBILITIES OF CITY PUBLIC OFFICIALS AND ADVANTAGE RECIPIENTS.

- (a) City public officials shall practice due diligence to ascertain whether or not a benefit defined under Section 1703(a) has been conferred, and to monitor personal or campaign advantages enumerated under Section 1703(c) so that any such qualifying advantage received is returned forthwith, and no later than ten days after its receipt.
- (b) City public officials shall provide, upon inquiry by any person, the names of all entities and persons known to them who respectively qualify as public benefit recipients under the terms of Sections 1703 and 1704.
- (c) All information compiled by city offices in compliance with Section 1705(a) and (b) shall be posted on the City of Pasadena website for public access.

(Sec. 1705 amended by the vote of the people 11-7-2006)

Section 1706. - DISCLOSURE OF THE LAW.

The City shall provide any person, corporation, firm, partnership, association, or other person or entity applying or competing for any benefit enumerated in Section 1703(a) with written notice of the

provisions of this Article and the future limitations it imposes. Said notice shall be incorporated into requests for "proposal," bid invitations, or other existing informational disclosure documents to persons engaged in prospective business with, from, or through the City.

Section 1707. - PENALTIES AND ENFORCEMENT.

- (a) In addition to all other penalties which might apply, any knowing and willful violation of this Article by a public official constitutes a criminal misdemeanor offense. The City Attorney is responsible for enforcing violations of this Article except as to violations by members of the City Council, which shall be referred to the Los Angeles County District Attorney's office for investigation and prosecution.
- (b) A civil action may be brought under this Article against a public official who receives a personal or campaign advantage in violation of Section 1704. A finding of liability shall subject the public official to the following civil remedies:
 - (1) restitution of the personal or campaign advantage received, which shall accrue to the general fund of the City;
 - (2) a civil penalty of up to five times the value of the personal or campaign advantage received;
 - (3) injunctive relief necessary to prevent present and future violations of this Article;
 - (4) disqualification from future public office or position within the jurisdiction, if violations are willful, egregious, or repeated.
- (c) A civil action under subdivision (b) of this section may be brought by any resident of the City. In the event that such an action is brought by a resident of the City and the petitioner prevails, the respondent public official shall pay reasonable attorney's fees and costs to the prevailing petitioner. Civil penalties collected in such a prosecution shall accrue 10% to the petitioner and 90% to the City's general fund.
- (d) The City Attorney and the Los Angeles County District Attorney may subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence and require by subpoena the production of any books, papers, records or other items material to the performance of his or her duties or exercise of his or her powers.
- (e) The City may adopt guidelines for implementation of this Article that are consistent with the findings and declarations set forth in Section 1702.

(Sec. 1707 amended by the vote of the people 11-7-2006)

Section 1708. - SEVERABILITY.

If any provision of this Article is held invalid, such invalidity or unconstitutionality shall not affect other provisions or applications which can be given effect without the invalidated provision, and to this end the provisions of this Article are severable.

ARTICLE XVIII - THE PASADENA FAIR AND EQUITABLE HOUSING CHARTER AMENDMENT

Section 1801. - TITLE AND PURPOSE.

This Amendment shall be known as the Pasadena Fair and Equitable Housing Charter Amendment. 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.

(Sec. 1801 added by vote of the people 11-8-2022.)

Section 1802. - FINDINGS.

- (a) WHEREAS, according to the U.S. Census Bureau's American Community Survey (ACS) 1-year estimates, as of 2018, a significant majority (57.7 percent) of all occupied units in the City were occupied by renter households; and
- (b) WHEREAS, African American and Hispanic or Latino households are disproportionately renter households. According to the U.S. Census Bureau's ACS 1-year estimates, in 2018, 69.7 percent of African American households were renters while 67.7 percent of Hispanic or Latino households were renters; and
- (c) WHEREAS, according to the U.S. Census Bureau's ACS 1-year estimates, the median gross rent in Pasadena has increased by 32.0 percent (from \$1287 to \$1669) between 2012 and 2018 while the Consumer Price Index (all items in Los Angeles-Long Beach-Anaheim, all urban consumers, not seasonally adjusted) has increased by 12.4 percent over the same period, resulting in an effective 17.5 percent increase in median rent in 2018 inflation-adjusted dollars between 2012 and 2018; and
- (d) WHEREAS, according to the ACS 1-year estimates, the median rent in 2018 inflation-adjusted dollars has increased by 27.0 percent for an efficiency unit, 17.4 percent for a one-bedroom unit, and 18.6 percent for a two-bedroom unit over the three year period between 2015 and 2018; and
- (e) WHEREAS, according to the U.S. Census Bureau 2018 ACS 1-year estimates, a majority of

Pasadena tenant households are rent-burdened. In 2018, an estimated 54 percent of renter households (15,446 households) were paying 30 percent or more of their income toward rent, and 31 percent of renter households (8,847) were severely rent-burdened, paying 50 percent or more of their income towards rent; and

- (f) WHEREAS, low-income renter households are particularly affected by rent-burdening with 89.4 percent (9417) of renter households with an annual household income between \$10,000 - \$49,999 paying 30 percent or more of their income towards rent, and 60.3 percent of these households (6349) paying 50 percent or more of their income toward housing rent; and
- (g) WHEREAS, even amongst households with annual incomes between \$50,000 and \$99,000, 44.5 percent (3307) are rent-burdened, paying more than 30 percent of their incomes to rent; and
- (h) WHEREAS, according to the Pasadena Draft 2015-2019 Consolidated Plan, 42 percent of Pasadena households (23,375 households) have incomes ranging from 0 to 80 percent of Area Median Income (AMI) with 15 percent extremely low-income (8,385 households at 0 to 30 percent AMI), with 12 percent very low-income (6,610 households at 30 to 50 percent AMI), and 15 percent as low income (8,380 households at 50 to 80 percent AMI); and
- (i) WHEREAS, according to the Pasadena Draft 2015-2019 Consolidated Plan, "Severe cost burden is the greatest predictor of homelessness risk. Populations paying more than 50 percent of their income towards housing costs or having incomes at or below 50 percent AMI have the greatest risk of becoming homeless"; and
- (j) WHEREAS, a majority of people experiencing homelessness in the City are Pasadenans. According to the 2019 Pasadena Homeless Count & Subpopulation Survey, 58% of people experiencing homelessness in Pasadena were Pasadena residents at the time of housing loss; and
- (k) WHEREAS, according to the Pasadena Homeless Count & Subpopulation Survey, 30% of people experiencing homelessness in Pasadena identified job loss (leading to a presumed inability to pay rent) as a primary cause of their homelessness, while 14% identified eviction as a primary cause of their homelessness; and
- (l) WHEREAS, according to the US Census Bureau's 2015 Rental Housing Finance Survey, nationally, the median number of hours per month spent by a rental property owner on managing a rental property is three (3); and
- (m) WHEREAS, according to the US Census Bureau's 2015 Rental Housing Finance Survey, less than half (47.8 percent) of rental units nationally are owned by an individual investor, with the rest being owned by trusts, corporate entities, non-profit organizations and other non-natural persons; and
- (n) WHEREAS, the implementation of rent relief strategies is supported by Pasadena's adopted

2014-2021 Housing Element: "Pasadena residents have an equal right to live in decent, safe and affordable housing in a suitable living environment for the long-term well-being and stability of themselves, their families, their neighborhoods, and their community. The housing vision for Pasadena is to maintain a socially and economically diverse community of homeowners and renters who are afforded this right"; and

- (o) WHEREAS, tenants in Pasadena experience increased housing instability. According to the ACS 2018 1-year estimates, 45.8 percent of tenant households had moved since 2015 whereas only 17.7 percent of owner households had moved since 2015. This trend persists even when considering only households with a head of household between 35 and 64 years of age. 45.1 percent of tenant households in this age range had moved since 2015 while only 20.4 percent of owner households in this age range had moved since 2015; and
- (p) WHEREAS, in the absence of city regulation on rent increases or residential evictions, tenants in the City of Pasadena have expressed that they are being displaced as a result of evictions or their inability to pay excessive rent increases and must relocate, but as a result of the housing shortage are unable to find decent, safe and healthy housing at affordable rent levels; and that some renters attempt to pay requested rent increases, but as a consequence must expend less on other necessities of life, such as food, transit, and healthcare; and
- (q) WHEREAS, the foregoing housing and economic conditions create a detrimental effect on substantial numbers of renters in the City and are a threat to the public health, safety and welfare, and a particular hardship for senior citizens, persons on fixed incomes, families with children, and other vulnerable tenants; and
- (r) WHEREAS, eviction or other displacement imposes an especially high burden on school-aged children and their families, including increased absence from school and other educational disruption that can have long-lasting effects; and
- (s) WHEREAS, in 2018 the median rent according to the ACS 1-year estimates for an efficiency rental unit in Pasadena (\$1311) was 22.9 percent higher than the HUD Fair Market Rate for the Los-Angeles-Long-Beach-Glendale Metropolitan Area, the median rent for a one-bedroom unit in Pasadena (\$1434) was 11.7 percent higher than the HUD fair market rate, and the median rent for a two-bedroom unit in Pasadena (\$1904) was 14.5 percent higher than the HUD fair market rate, demonstrating that Pasadena rents are significantly higher than the HUD fair market rate; and
- (t) WHEREAS, the Pasadena Municipal Code (Section 9.75 Tenant Protection) provides for relocation assistance to low-income tenants being displaced from their rental housing equal to two and a half months HUD fair market rent for a unit of comparable size, and further provides for a moving expense allowance of \$1306 for adult households or \$3935 for households with dependents; and

- (u) WHEREAS, much of the rental housing in the city requires that prospective tenants pay two (for unfurnished units) or three (for furnished units) months of rent up front in order to secure a lease, imposing accumulated relocation expenses (consisting of three months median rent and the moving assistance currently mandated by the City of Pasadena) on a typical household with children living in a two-bedroom unit of \$9797, which was approximately six times the HUD fair market rate for a two-bedroom unit (\$9978 as calculated in 2018); and
- (v) WHEREAS, residents of the City of Pasadena have formally expressed their concerns regarding rising rents and displacement to the City Council at over thirteen (13) public Council meetings since 2017.
- (w) WHEREAS, a petition to enact "The Pasadena Fair and Equitable Housing Charter Amendment" was circulated beginning in December 2017. It was foreseeable that rent control and just cause eviction protections were being considered in Pasadena; and
- (x) WHEREAS, the Apartment Management Magazine of the San Gabriel Valley published in July 2019, "rent control is on the horizon and apartment owners should now do everything possible now[sic] to have secure future income practices in place that a rent control cap allows. Using RUBS [Ratio Utility Billing System], allows the owner to pass higher utility and other costs, dollar for dollar, to the tenant." This demonstrates that landlords are planning to use auxiliary fees to circumvent rent control measures; and
- (y) WHEREAS, on October 8th 2019, the California Assembly adopted the Tenant Protection Act of 2019 (AB 1482), which regulates rent increases and evictions in the State of California, but which did not come into effect until January 1st 2020. Eviction attorneys in the Pasadena area, including prominent eviction attorney Dennis Block, advised landlords to evict tenants and increase rent prices as quickly as possible during the intervening period. Block delivered this advice to several hundred property owners at the Pasadena Convention Center on October 2nd 2019; and,
- (z) WHEREAS, on November 5th 2019, the Pasadena City Council adopted Ordinance No. 7352 "An Uncodified Ordinance of the City of Pasadena Adopting the Tenant Protection Act of 2019 Relating to the Prohibition of No-Fault Terminations of Tenancy and Evictions and Limiting Rent Increases for Residential Real Property Through December 31st, 2019", recognizing that many landlords were evicting tenants in late 2019 in order to circumvent the March 15th 2019 rollback date of new statewide rent control regulations; and,
- (aa) WHEREAS, findings (v)-(z) demonstrate that Landlords are aware that Pasadena Tenants are organizing and advocating for rent stabilization and just cause eviction protections; that Landlords are likely to react to concrete efforts to establish such protections in Pasadena by rapidly increasing rental housing costs; and therefore that the circulation of the instant petition is likely to cause a distortion in the Pasadena rental housing market; and

- (bb) WHEREAS, in a 2019 poll of 700 registered voters in Pasadena conducted by The David Binder Research Institute on behalf of Pasadenans Organizing for Progress, 69% of respondents supported rent control and 82% of respondents supported just cause for eviction protections; and
- (cc) WHEREAS, 54.86% of voters (29349 vs. 24153) in Pasadena voted YES on Proposition 10 in the 2018 General Election, which would have repealed the Costa-Hawkins Rental Housing Act and hence given municipalities in California greater freedom to enact rent control measures; and
- (dd) WHEREAS, the City of Pasadena currently does not regulate rental amounts, rent increases, or evictions from residential housing; and
- (ee) WHEREAS, landlords are overrepresented on the City Council. As documented in the video archive of the City Council Meetings on October 22nd 2018 (Item 9) and June 3rd 2019 (Item 12), at least three of the seven members of the City Council currently own rental housing in Pasadena; and
- (ff) WHEREAS, as documented in the video archive of the City Council Meeting on March 25th 2019 during Item 15, the Pasadena Department of Housing and Career Services was instructed by the Council not to consider rent control or just cause for eviction when proposing possible expansions to the City's Tenant Protection Ordinance, which demonstrates the unwillingness of the Council to legislate any rent control or eviction protections in the City; and
- (gg) WHEREAS, this Article is more protective than the provisions of Civil Code Section 1946.2 and shall apply to Covered Rental Units as defined herein.

(Sec. 1802 added by vote of the people 11-8-2022.)

Section 1803. - DEFINITIONS.

Unless further defined elsewhere in this Article, the following words or phrases as used in this Article shall have the following meanings:

- (a) Abuse. Psychological or physical violence, neglect or cruelty.
- (b) Annual General Adjustment. The Annual General Adjustment is the percentage by which the Rent for existing tenancies in Covered Rental Units may be increased each year, subject to the limitations of this Article.
- (c)

Base Rent. The Base Rent is the reference point from which the lawful Rent shall be determined and adjusted in accordance with this Article. 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 a violation of this Article or any provision of state law.

- (d) Covered Rental Unit. All Rental Units not specifically exempted under Section 1804(a) (Exemptions - Fully Exempt) or Section 1805 (Additional Homeowner Protections) herein.
- (e) City Council. The term "City Council" refers to the City Council of the City of Pasadena.
- (f) Disabled. A person with a disability. The term "disability" is defined in California Government Code Section 12955.3.
- (g) Extended Family. Extended family means any spouse, whether by marriage or not, domestic partner, parent, child, sibling, grandparent, aunt or uncle, niece or nephew, grandchild, or cousin.
- (h) Fair Return. A Fair Return shall be determined by using the maintenance of net operating income (MNOI) standard as outlined in Section 1813 herein.
- (i) Material Interest in Rental Property. An individual has a Material Interest in Rental Property if they, or any member of their Extended Family, own, manage, or have a 5% or greater ownership stake in Rental Units in the county of Los Angeles, or if they or any member of their Extended Family owned, managed, or had a 5% or greater ownership stake in Rental Units in the county of Los Angeles in the past three (3) years.
- (j) Hearing Officer. An official appointed by the Rental Board to conduct an investigation or administrative hearing pursuant to this Article.
- (k) Housing Services. Housing Services include, but are not limited to, repairs, maintenance, painting, providing light, hot and cold water, elevator service, window shades and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, Utility Charges that are paid by the Landlord, refuse removal, furnishings, telephone, parking, the right to have a specified number of occupants, and any other benefit, privilege, arrangement or facility provided or contracted for in connection with the use or occupancy of any Rental Unit. Housing Services to a Rental Unit shall include a proportionate part of services provided to common facilities of the building in which the Rental Unit is contained.
- (l) Individual Rent Adjustment. An adjustment to the otherwise lawful Rent that is authorized by a Hearing Officer or the Rental Board pursuant to this Article.
- (m) Landlord. An owner, lessor, sublessor or any other person entitled to receive Rent for the use and occupancy of any Rental Unit, or an agent, representative, predecessor, or successor of any of the foregoing.

- (n) Petition. A petition for an Individual Rent Adjustment or any petition the Rental Board deems necessary to effectuate the purpose of this Article.
- (o) Primary Residence. The occupant's usual place of return. To classify a unit as an occupant's Primary Residence does not require that the occupant be physically present in the unit at all times or continuously, but does require that the unit be the occupant's usual place of return. Factors that are indicative of Primary Residence include but are not limited to:
 - (1) The occupant carries on basic living activities at the subject premises for extended periods;
 - (2) The subject premises are listed with public agencies, including but not limited to federal, state and local taxing authorities, as the occupant's Primary Residence;
 - (3) Utility Charges and other charges and fees associated with usage of the structure are billed to and paid by the occupant at the subject premises;
 - (4) The occupant does not file for a homeowner's tax exemption for any different property;
 - (5) Ownership is held in the name of the occupant claiming Primary Residence and not held by a Limited Liability Corporation or other corporate or business entity structure.
- (p) Property. All Rental Units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.
- (q) Recognized Tenant Organization. Any group of Tenants residing in Rental Units in the same building or in different buildings operated by the same management company, agent or Landlord, who choose to be so designated. This shall also include any other at-large organization that represents the interest of Tenants.
- (r) Relocation Assistance. Financial assistance in the amounts set forth in Section 1806(b).
- (s) Rent. All periodic payments and all non-monetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord under a Rental Housing Agreement concerning the use or occupancy of a Rental Unit and premises and attendant Housing Services, including all payment and consideration demanded or paid for parking, Utility Charges, pets, furniture, and/or subletting.
- (t) Rental Board. The term "Rental Board" refers to the Pasadena Rental Housing Board established by this Article.
- (u) Rental Housing Agreement. An agreement, oral, written, or implied, between a Landlord and Tenant for use or occupancy of a Rental Unit and for Housing Services. For the purpose of this Article, the terms "Rental Housing Agreement" and "Lease" are interchangeable.

- (v) Rental Housing Fee. The fee described in Section 1811(l)(1) herein.
- (w) Rental Registry. The term "Rental Registry" refers to the database of information on Covered Rental Units in Pasadena required pursuant to section 1812 of this Article.
- (x) Rental Unit. Any building, structure, or part thereof, or land appurtenant thereto, or any other rental property rented or offered for rent for residential purposes, whether or not such units possess a valid Certificate of Occupancy for use as rental housing, together with all Housing Services connected with use or occupancy of such Property, such as common areas and recreational facilities held out for use by the Tenant.
- (y) Security Deposit. Any payment, fee, deposit, or charge as defined in Section 1950.5 of the California Civil Code.
- (z) Single-Family Home. A detached building containing a single residential dwelling unit separately alienable from any other dwelling unit.
- (aa) Tenant. A tenant, subtenant, lessee, sublessee or any other person entitled under the terms of a Rental Housing Agreement or this Article to the use or occupancy of any Rental Unit.
- (bb) Utility Charges. Any charges for gas, electricity, water, garbage, sewer, telephone, cable, internet, or other service relating to the use and occupancy of a Rental Unit.
- (cc) Written Notice to Cease. A written notice provided by a Landlord that gives a Tenant an opportunity to cure an alleged violation or problem prior to initiating legal proceedings to terminate tenancy. Any Written Notice to Cease must:
 - (1) Provide the Tenant a reasonable period to cure the alleged violation or problem;
 - (2) Inform the Tenant that failure to cure may result in the initiation of eviction proceedings;
 - (3) Inform the Tenant of the right to request a reasonable accommodation;
 - (4) Inform the Tenant of the contact number for the Rental Board; and
 - (5) Include a specific statement of the reasons for the Written Notice to Cease with specific facts to permit a determination of the date, place, witnesses and circumstances concerning the reason for the eviction.
 - (6) Where a breach of Lease is alleged, inform the Tenant what Lease provision has been breached and what the Tenant must do in order to cure the breach.

(Sec. 1803 amended by vote of the people 3-5-2024; Sec. 1803 added by vote of the people 11-8-2022.)

Section 1804. - EXEMPTIONS.

- (a) Fully Exempt (Exempt from Both Rent Stabilization and Just Cause for Eviction). The following

Rental Units are exempt from all provisions of this Article:

- (1) Units in hotels, motels, inns, tourist homes, lodging and rooming houses and boarding houses, including hotels, lodging houses, rooming houses, and boarding houses as defined in Pasadena Municipal Code Section 14.12.030, provided that at such time as an accommodation has been occupied as the primary residence of one or more of the same tenants for any period more than thirty (30) days such accommodation shall become a Covered Rental Unit. The computation of the thirty (30) days shall include days in which the Tenant was required to:
 - (A) Move into a different guestroom or efficiency unit before the expiration of thirty (30) days occupancy; or
 - (B) Check out and re-register before the expiration of thirty (30) days occupancy if a purpose was to avoid application of this Article. Evidence that an occupant was required to check out and re-register shall create a rebuttable presumption, which shall affect solely the burden of producing evidence, that the housing accommodation is a Covered Rental Unit.
 - (2) Rental Units in any hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged; dormitory owned and operated by an accredited institution of higher education, or Rental Units in a facility that has the primary purpose of operating a treatment or recovery program, where such Rental Units are provided incident to a client's participation in the treatment or recovery program and where the client has been informed in writing of the temporary or transitional nature of the housing at the inception of his or her participation in the program;
 - (3) Rental Units owned or operated or managed by a not-for-profit organization pursuant to a tax credit program;
 - (4) Rental Units which a government unit, agency or authority owns, operates, or manages, if applicable federal or state law or administrative regulation specifically exempt such units from municipal rent control; and
 - (5) Rental Units additionally exempted pursuant to Section 1805 (Additional Homeowner Protections).
- (b) Partially Exempt (Just Cause for Eviction Applies). The following Rental Units are exempt from Sections 1807, 1808, and 1809 of this Article (regarding Stabilization of Rents) and from Sections 1813 and 1814 (regarding Petitions for Individual Rent Adjustment), but are not exempt from Section 1806 (Just Cause for Eviction Protections):
- (1) To the extent required by state law, Rental Units exempt from rent control pursuant to the Costa Hawkins Rental Housing Act (California Civil Code Section 1954.52. et seq.). Where

rent restrictions are permitted by state law, the Rental Board may issue rules and regulations to govern the restrictions on Rental Units identified in this paragraph;

- (2) Rental Units governed by Pasadena City Code Chapter 17.42, Section 17.42.040 (Inclusionary Housing Requirements) and Chapter 17.43 (Density Bonus, Waivers and Incentives) to the extent permissible by law.
- (3) Rental Units leased to tenants assisted under the Section 8 program (42 U.S.C. Section 1437f) or the Continuum of Care Rental Assistance (42 U.S.C. 11381 et. seq.) or similar rent subsidy program where the tenant's portion of the Rent is determined based on their household income and a specific formula. For the purposes of the Section 8 program, the exemption from Sections 1807, 1808, 1809, 1813, and 1814 shall apply only for so long as the rent demanded does not exceed the authorized Payment Standard minus the applicable utility allowance, which, for purposes of this subsection, is the maximum monthly rental assistance potentially available to an assisted household before deducting the household share of income paid for rent and utilities as established by the City of Pasadena Department of Housing or successor agency. For Rental Units where the rent demanded exceeds the Payment Standard minus the applicable utility allowance, the Payment Standard or an initial rent above the Payment Standard if approved by the City of Pasadena Department of Housing, as reported to the Board, or its designee, by the City of Pasadena Department of Housing or successor agency, shall become the Rental Unit's Base Rent and the reference point from which the Rent shall be adjusted in accordance with Sections 1807, 1808, and 1809. For the purposes of all other rent subsidy programs, the exemption from Sections 1807, 1808, 1809, 1813, and 1814 shall apply only for so long as the Tenant remains eligible for the program and Tenant's portion of the Rent remains unaffected by any rent increases demanded by the Landlord. For Rental Units where the Tenant becomes ineligible for the rent subsidy program or where any rent increase demanded would increase the Tenant's portion of the Rent, the Rent at the time that the Tenant's assistance is terminated or the initial rent after the rent increase that increases the Tenant's portion of the Rent as reported to the Rent Stabilization Department, by the City of Pasadena Department of Housing or successor agency, shall become the Rental Unit's Base Rent and the reference point from which the Rent shall be adjusted in accordance with Sections 1807, 1808, and 1809.

(Sec. 1804 amended by vote of the people 11-5-2024; Sec. 1804 added by vote of the people 11-8-2022.)

Section 1805. - ADDITIONAL HOMEOWNER PROTECTIONS.

In addition to the Rental Units exempted in Section 1804(a) of this Article (Fully Exempt), the following Rental Units are also fully exempt from this Article:

- (a) A homeowner who is the primary resident of a Single-Family Home may create a temporary tenancy. The temporary Tenant must be provided, in writing at the inception of the tenancy, the length of the tenancy, to last no longer than twelve (12) months, and a statement that the tenancy may be terminated and relocation shall not be provided. A homeowner may not create such temporary tenancies for more than a total of twelve (12) months in any thirty-six (36) month period.
- (b) A Tenancy where the Tenant shares a bathroom or kitchen with the homeowner shall be exempt from this Article if the home is the Primary Residence of the homeowner.

(Sec. 1805 added by vote of the people 11-8-2022.)

Section 1806. - JUST CAUSE FOR EVICTION PROTECTIONS.

- (a) Just Causes for Eviction: No Landlord shall take action to terminate any tenancy, or endeavor to recover possession of a Rental Unit, including but not limited to making a demand for possession of a Rental Unit, threatening to terminate a tenancy orally or in writing, serving any Written Notice to Cease or other eviction notice, or bringing any action to recover possession, or be granted recovery of possession of a Rental Unit unless at least one of the following conditions exists:
 - (1) Failure to Pay Rent. The Tenant has failed, after receiving a Written Notice to Cease, to pay the Rent to which the Landlord is legally entitled under the Rental Housing Agreement, this Article, state, and any other local law. This condition does not include a failure to pay any separately charged fees.
 - (2) Breach of Lease. The Tenant has continued, after Written Notice to Cease, to substantially violate any of the material terms of the rental agreement, except the obligation to surrender possession on proper notice as required by law, and provided that such terms are reasonable and legal and have been accepted in writing by the Tenant or made part of the rental agreement; and provided further that, where such terms have been accepted by the Tenant or made part of the rental agreement subsequent to the initial creation of the tenancy, the Landlord shall have first notified the Tenant in writing that he or she need not accept such terms or agree to their being made part of the rental agreement.
- (A) Notwithstanding any contrary provision in this Section, a Landlord shall not take any action to terminate a tenancy based on a Tenant's sublease of the unit if the following requirements are met:
 - (i) The Tenant continues to reside in the Rental Unit as his, her or their primary residence.
 - (ii) The sublease replaces one or more departed Tenants under the Rental Housing

Agreement on a one-for-one basis.

- (iii) The Landlord has unreasonably withheld the right to sublease following written request by the Tenant. If the Landlord fails to respond to the Tenant in writing within fourteen (14) days of receipt of the Tenant's written request, the Tenant's request shall be deemed approved by the Landlord. A Landlord's reasonable refusal of the Tenant's written request may not be based on the proposed additional occupant's lack of creditworthiness, if that person will not be legally obligated to pay some or all of the Rent to the Landlord. A Landlord's reasonable refusal of the Tenant's written request may be based on, but is not limited to, the ground that the total number of occupants in a Rental Unit exceed the maximum number of occupants as determined under Section 503(b) of the Uniform Housing Code as incorporated by California Health & Safety Code Section 17922.
- (B) Protections for Families. Notwithstanding any contrary provision in this Section, a Landlord shall not endeavor to recover possession of a Rental Unit as a result of the addition to the Rental Unit of a Tenant's child, parent, grandchild, grandparent, brother or sister, other dependent relative, or the spouse or domestic partner (as defined in California Family Code Section 297) of such relatives, or as a result of the addition of the spouse or domestic partner of a Tenant, or as a result of the addition of the sole additional adult tenant, so long as the number of occupants does not exceed the maximum number of occupants as determined under Section 503(b) of the Uniform Housing Code as incorporated by California Health & Safety Code 17922. The Rent Board shall promulgate regulations that will further protect families and promote stability for school-aged children.
- (3) Nuisance. The Tenant has continued, after the Landlord has served the Tenant with a Written Notice to Cease, to commit or expressly permit a nuisance in, or cause substantial damage to the Rental Unit or to the unit's appurtenances, or to the common areas of the Property containing the Rental Unit, or is creating an unreasonable interference with the comfort, safety, or quiet enjoyment of any of the other residents or immediately adjacent neighbors of the Property.
- (4) Illegal Purpose. The Tenant is using or permitting a Rental Unit, the common areas of the Property, or an area within a 300-foot radius from the boundary line of the Property to be used for any illegal purpose.

The term "illegal purpose" as used in this subsection includes, but is not limited to, clear and convincing evidence of violations of any of the provisions of Division 10, Chapter 6 (commencing with Section 11350) and Chapter 6.5 (commencing with Section 11400) of the California Health and Safety Code, and does not include the use of housing

accommodations lacking a legal approved use or which have been cited for occupancy or other housing code violations.

- (5) Refusal to Execute New Lease. The Tenant, who had a Rental Housing Agreement which terminated on or after the effective date of this Article, has refused, after written request or demand by the Landlord to execute a written extension or renewal thereof for a further term of like duration with terms which are materially the same as in the previous Agreement and provided that such terms do not conflict with any provision of this Article or any other provision of law.
- (6) Failure to Give Access. The Tenant, after receiving proper notice, has refused the Landlord reasonable access to the Rental Unit for the purpose of making repairs or improvements, or for the purpose of inspection as permitted or required by law, or for the purpose of showing the Rental Unit to any prospective purchaser or mortgagee.
 - (A) The Board shall promulgate regulations for the repair and improvement of Rental Units to ensure the least amount of disruption for the Tenant. Unless due to a documented emergency affecting a Tenant's health and/or safety or as required by state law, all repair or improvement work will be scheduled in compliance with applicable Board regulations. In the event that a Tenant refuses access to the Rental Unit for repairs, a Landlord must show that written notice was provided to the Tenant and all necessary repair or improvement work was scheduled in compliance with all applicable Board regulations to terminate tenancy under this subsection.
 - (B) The notice requesting access shall inform the Tenant that if he or she is unable to comply because of a disability, he or she may request a change in the Landlord's policies or practices or other reasonable accommodation to the Tenant's disability.
- (7) Subtenant in Sole Possession. The person in possession of the Rental Unit at the end of a lease term is a subtenant not approved by the Landlord.
- (8) Necessary and Substantial Repairs Requiring Temporary Vacancy. The Landlord, after having obtained all necessary permits from the City of Pasadena, and having provided written notice to the Tenant, seeks in good faith to undertake substantial repairs that are necessary to bring the Rental Unit into compliance with applicable codes and laws affecting the health and safety of Tenants of the building, provided that:
 - (A) As independently confirmed by the City of Pasadena, the repairs necessitate that the Tenant vacate the Rental Unit because the work will render the Rental Unit uninhabitable for a period of not less than thirty (30) days, and
 - (B) The Landlord gives advance notice to the Tenant of the Tenant's right to elect one or both of the following:

- (i) The right of first refusal to any vacant Rental Unit owned by the Landlord at the same or lower Rent, provided that the unit is of comparable or superior material living condition and convenience for the Tenant, if such comparable or superior vacant unit exists.
 - (ii) The first right of return to reoccupy the unit upon completion of the repairs at the same Rent charged to the Tenant before the Tenant temporarily vacated the Rental Unit to the extent allowed by state law.
 - (iii) In the event that the Tenant elects to accept an offer to move to a comparable vacant Rental Unit at the same or lower Rent, the Tenant is not eligible for any Relocation Assistance pursuant to Section 1806(b) herein, however the length of tenancy shall continue to be calculated from the date the Tenant first entered into a Rental Housing Agreement at the Property.
- (C) In the event the Landlord files a Petition for Individual Rent Adjustment within six (6) months following the completion of the work, the Tenant shall be party to such proceeding as if he or she were still in possession, unless the Landlord submits with such application a written waiver by the Tenant of his or her right to reoccupy the premises pursuant to this subsection.
- (9) Owner Move-In. The Landlord seeks to recover possession of the Rental Unit in good faith for use and occupancy as a Primary Residence by the Landlord, Landlord's spouse, domestic partner, children, grandchildren, parents, or grandparents.
 - (A) As used in this subsection, "Landlord" shall only include a Landlord that is a natural person and has at least a fifty percent (50%) recorded ownership interest in the Property.
 - (B) No eviction may take place under this subsection if the same Landlord or enumerated relative already occupies a unit on the Property, or if a vacancy already exists on the Property. If a comparable unit does become vacant and available before the recovery of possession, the Landlord shall rescind the notice to vacate and dismiss any action filed to recover possession of the premises.
 - (C) Any notice terminating tenancy pursuant to this subsection shall contain the name, address and relationship to the Landlord of the person intended to occupy the Rental Unit, and the rights pursuant to Subparagraph (E) herein.
 - (D) The Landlord or enumerated relative must intend in good faith to move into the Rental Unit within sixty (60) days after the Tenant vacates and to occupy the Rental Unit as a Primary Residence for at least thirty-six (36) consecutive months. The Rental Board may adopt regulations governing the determination of good faith.

- (E) If the Landlord or relative specified on the notice terminating tenancy fails to occupy the Rental Unit within sixty (60) days after the Tenant vacates or fails to occupy the Rental Unit as a Primary Residence for at least thirty-six (36) consecutive months, the Landlord shall:
- (i) Offer the Rental Unit to the Tenant who vacated it at the same Rent in effect when the Tenant vacated; and
 - (ii) Pay to said Tenant all reasonable expenses incurred in moving to and from the Rental Unit.
- (F) Eviction Protection for Elderly or Disabled Tenant. A Landlord may not evict a Tenant pursuant to this subsection if the Tenant has resided in the Rental Unit for at least five (5) years and is either: (1) at least sixty (60) years or older, (2) Disabled; and/or (3) is certified as being terminally ill by the Tenant's treating physician. Notwithstanding the above, a Landlord may evict a Tenant who qualifies for the exemption herein if the Landlord or enumerated relative who will occupy the Rental Unit also meets the criteria for this exemption and no other units are available.
- (G) Notwithstanding Section 1806(a)(9)(F), at all times a Landlord may request a reasonable accommodation if the Landlord or enumerated relative is Disabled and another unit in Pasadena is necessary to accommodate the person's disability.
- (10) Withdrawal of the Unit Permanently from Rental Market. To the extent required by California Government Code Section 7060 et seq., the Landlord may seek in good faith to recover possession to withdraw all Rental Units of an entire Property from the rental market. The Landlord first must have filed the requisite documents with the Rental Board initiating the procedure for withdrawing Rental units from rent or lease under California Government Code Section 7060 et seq. and all regulations passed by the Rental Board and/or the City Council of the City, with the intention of completing the withdrawal process and going out of the rental business or demolition of the Property. If demolition is the purpose of the withdrawal, then the Landlord must have received all needed permits from the City of Pasadena before serving any notices terminating a tenancy based on Subsection (a)(10) herein. Tenants shall be entitled to a minimum of 120 days' notice or one (1) year in the case Tenants are defined as senior or Disabled as defined in California Government Code Section 7060 et seq. Notice times may be increased by regulations if state law allows for additional time.
- (11) Government Order. The Landlord seeks in good faith to recover possession of the Rental Unit in order to comply with a governmental agency's order to vacate, order to comply, order to abate, or any other order that necessitates the vacating of the building housing the Rental Unit as a result of a violation of the Pasadena Municipal Code or any other

provision of law. To the extent allowed by state law, the Landlord must give advance notice to the Tenant of the Tenant's right to elect one or both of the following:

- (A) The right of first refusal to any vacant Rental Unit owned by the Landlord at the same or lower Rent, provided that the unit is of comparable or superior material living condition and convenience for the Tenant, if such comparable or superior vacant unit exists.
 - (B) The first right of return to reoccupy the unit if and when it is found to be in compliance with the order at the same Rent charged to the Tenant before the Tenant temporarily vacated the Rental Unit.
 - (i) In the event that the Tenant elects to accept an offer to move to a comparable vacant Rental Unit at the same or lower Rent, the Tenant is not eligible for any Relocation Assistance pursuant to Section 1806(b) herein, however the length of tenancy shall continue to be calculated from the date the Tenant first entered into a Rental Housing Agreement at the Property.
- (b) Relocation Assistance. A Landlord seeking to recover possession under Subsections (a)(8)—(11) above shall provide Relocation Assistance. The Landlord shall provide a minimum of fifty percent (50%) of the required Relocation Assistance within ten (10) days of service of any written notice of termination pursuant to Subsections (a)(8)—(11) to the Tenant(s). For any Tenant entitled to at least sixty (60) days' written notice pursuant to Civil Code Section 1946.1, the Landlord may elect to pay the remaining Relocation Assistance owed to a Tenant pursuant to this subsection to an escrow account no later than twenty-eight (28) days prior to the expiration of the written notice of termination, to be disbursed to the Tenant upon certification of vacation of the Rental Unit. The escrow account shall provide for the payment prior to vacation of all or a portion of the monetary relocation benefits for actual relocation expenses incurred or to be incurred by Tenant prior to vacation, including but not limited to security deposits, moving expense deposits and utility connection charges. For any Tenant entitled to at least sixty (60) days' written notice pursuant to Civil Code Section 1946.1, the Landlord may also disburse the remaining Relocation Assistance directly to the Tenant no later than twenty-eight (28) days prior to the expiration of the notice of termination. For any Tenant entitled to less than sixty (60) days' written notice pursuant to Civil Code Section 1946.1, the Landlord shall disburse the remaining Relocation Assistance directly to the Tenant at the time that the Tenant vacates the Rental Unit.
- (A) The Landlord shall notify the affected Tenants of their rights under this subsection, if any, at the time of service of the notice to quit.
 - (B) The Rental Board shall issue rules and regulations to effectuate this subsection including but not limited to rules and regulations setting forth the procedures for establishing the

amount of Relocation Assistance applicable to any given Tenant household, and for the reasonably timely payment of any applicable Relocation Assistance.

- (C) A Landlord shall provide Relocation Assistance to any Tenant household who is displaced from a Rental Unit due to inability to pay Rent increases in excess of 5 percent plus the most recently announced Annual General Adjustment in any twelve-month period. The Landlord must provide Relocation Assistance to such Tenant households no later than the date that they vacate the Rental Unit. The Board shall issue rules and regulations to further effectuate this subdivision, including but not limited to the procedures and forms for establishing and facilitating payment of Relocation Assistance, an appeal process, if any, and rules to ensure the reasonably timely payment of any applicable Relocation Assistance. The Board may reduce the threshold triggering Relocation Assistance to Rent increases lower than 5 percent plus the most recently announced Annual General Adjustment in any twelve-month period if it determines that the lower threshold is necessary to further the purposes of this Article.
- (c) Right of Return and First Right of Refusal. All Tenants whose tenancy is terminated on a basis enumerated in Subsections (a)(8)-(l) herein shall have the first right of refusal to return to the Rental Unit if that Rental Unit is returned to the market by the Landlord or a successor Landlord to the maximum extent permitted by state law. Rent for the Rental Unit shall be the Rent lawfully paid by the Tenant at the time the Landlord gave notice of termination based upon Subsections (a)(8)-(11) herein to the maximum extent permitted by state law. The Rental Board shall decide on a timeline and procedures for the subsequent notification of the former Tenant of the return of their Rental Unit to the market.
- (d) Required Notice for Withdrawal of Rental Units From Rental Housing and Regulation of Property on Re-Offer of Rent or Lease After Withdrawal. Within 180 days of the first meeting of the Rental Board, the Rental Board shall adopt regulations, in the manner specified by California Government Code Section 7060.5, that implement all of the provisions set forth in California Government Code Section 7060 et seq. Such regulations shall be updated from time to time to ensure consistency with California Government Code Section 7060 et seq. and to ensure that the maximum protections authorized by law are afforded to Tenants of Rental Units.
- (e) Posting of Notice. For every Property containing Rental Units subject to this Article, the Landlord shall post a notice on a form prepared and authorized by the Rental Board, providing information about the existence of this Article. Notice must be posted in a conspicuous location in the lobby of the Property, near a mailbox used by all Tenants, or in or near a public entrance to the Property. The notice shall be written in English and Spanish, and in any other languages as required by the Rental Board.

- (f) **Security Deposits.** No Landlord shall increase a security or other deposit originally required from a Tenant as a condition of continued occupancy of a Rental Unit subject to this Article. Landlords shall pay interest annually on all Security Deposits held for at least one year for his or her Tenants. The interest rate to be paid on Security Deposits shall be set annually by the Rental Board every October. A Tenant shall be given the unpaid accrued interest within the timeframe outlined in California Civil Code Section 1950.5.
- (1) The interest rate shall be based on the average of the interest rates on savings accounts paid on October 1 of the year in which the interest rate is adopted, by at least five Federal Deposit Insurance Corporation (FDIC) insured banks with branches in Pasadena. The Rental Board shall adopt the rate by November 1 of each year. The interest rate established by the Rental Board shall be the rate in effect from January 1 through December 31 of the subsequent year.
- (g) **Retaliation is Barred.** No Landlord may threaten to bring, or bring, an action to recover possession, cause the Tenant to quit the Rental Unit involuntarily, serve any Written Notice to Cease or notice of termination of tenancy, decrease any services, interfere with the Tenant's quiet enjoyment of the Rental Unit and common areas, or increase the Rent where the Landlord's dominant motive is retaliation against the Tenant for the Tenant's assertion or exercise of rights under this Article, including creating and/or associating with Recognized Tenants Organizations or individuals involved with tenant advocacy. Such retaliation shall be a defense to an action to recover possession, or it may serve as the basis for an affirmative action by the Tenant for actual and punitive damages and injunctive relief. A Tenant may assert retaliation affirmatively or as a defense to the Landlord's action regardless of the period of time which has elapsed between the Tenant's assertion or exercise of rights under this Article and the alleged act of retaliation. However, there is a presumption of retaliation if Tenant engages in protected activity described herein in the twelve (12) months immediately preceding the issuance of a Written Notice to Cease. The Rental Board may address retaliation issues further in its rules and regulations consistent with the intent of this subsection to prevent unlawful retaliation.
- (h) **Harassment is Prohibited.** No Landlord may threaten to bring, or bring, an action to recover possession, cause the Tenant to quit the Rental Unit involuntarily, serve any Written Notice to Cease or notice of termination of tenancy, change the terms of lease without express written agreement from the Tenant, decrease any services, refuse to accept or acknowledge receipt of a Tenant's lawful Rent pursuant to this Article, or interfere with the Tenant's quiet enjoyment of the Rental Unit and common areas as part of an attempt to increase the Rent above the maximum allowable Rent permitted under this Article, either by obtaining such excessive Rent from the Tenant or by creating a vacancy and increasing the Rent for a new Tenant. Tenants

are also protected from harassment for creating and/or associating with Recognized Tenant Organizations or individuals involved with tenant advocacy. Such harassment shall be a defense to an action to recover possession, or it may serve as the basis for an affirmative action by the Tenant for actual and punitive damages and injunctive relief. The Rental Board may address harassment issues further in its rules and regulations consistent with the intent of this subsection to prevent unlawful harassment.

- (i) Notice to Specify Basis for Termination. Any notice purporting to terminate tenancy on any of the bases specified in this section must state with specificity the basis on which the Landlord seeks to terminate the tenancy.
- (j) Landlord Compliance with this Article. In any action brought to recover possession of a Rental Unit subject to this Article, the Landlord shall allege compliance with this Article.
- (k) Filing Termination Notices with Rental Board. The Landlord shall file with the Rental Board a copy of any notice terminating tenancy, including but not limited to a Written Notice to Cease, within three (3) days after serving the notice on the Tenant. The notice must be accompanied by a form summarizing the protections afforded to the Tenant by this Article, which will be prepared by the Rental Board.
- (l) Failure to Comply. A Landlord's failure to comply with any requirement of this section, including without limitation the failure to serve any of the required notices to the Rental Board or to pay Relocation Assistance in subsection (b), is a complete affirmative defense in an unlawful detainer or other action brought by the Landlord to recover possession of the Rental Unit.

(Sec. 1806 amended by vote of the people 11-5-2024; Sec. 1806 added by vote of the people 11-8-2022; amended pursuant to Los Angeles Superior Court Case entitled, *California Apartment Association, et al. v. City of Pasadena*, Case No. 22STCP04376, order dated March 26, 2023; on appeal as of May 31, 2023.)

Section 1807. - STABILIZATION OF RENTS.

- (a) Rents Stabilized. Upon the effective date of this Article, 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 this Article.
- (b) Rent Increases Regulated. No Landlord shall increase Rent for a Covered Rental Unit except as authorized by this Article. Rent increases shall be limited to those permitted by Section 1808 (Rent Increases Pursuant to Annual General Adjustment) and Sections 1813 and 1814 (Petitions for Upward Adjustment). A Landlord may set the initial Rent for a new tenancy pursuant to Section 1809 (Initial Rents for New Tenancies).
- (c) Notice of the Existence of this Article Required at Commencement of Tenancy. The Landlord of

any Covered Rental Units is required to comply with the following notice requirements at the commencement of any tenancy:

- (1) On or before the date of commencement of a tenancy, the Landlord must give the Tenant a written notice in a form prepared and authorized by the Rental Board which must include the following information:
 - (A) The existence and scope of this Article; and
 - (B) The Tenant's right to Petition against certain Rent increases; and
 - (C) Instructions for accessing and description of the Rental Registry described in Section 1812 herein.
- (2) The Landlord must give the initial notice to the Tenant in the language that was used to negotiate the terms of the tenancy or in another language if requested by the tenant, provided that a translation of the notice into this language has been made available by the Rental Board.

(Sec. 1807 added by vote of the people 11-8-2022.)

Section 1808. - RENT INCREASES PURSUANT TO ANNUAL GENERAL ADJUSTMENT.

- (a) Annual General Adjustment. No later than September 1 each year, the Rental Board shall announce the amount of the Annual General Adjustment, which shall be effective as of October 1 of that year. The Annual General Adjustment is the percentage by which the Rent for existing tenancies in Covered Rental Units may be increased each year, subject to the limitations of this Article.
 - (1) The Annual General Adjustment shall be equal to seventy five percent (75%) of the percentage increase in the Consumer Price Index (CPI) (All Items, All Urban Consumers, Los Angeles-Riverside-Orange County region or any successor designation of that index that may later be adopted by the U.S. Bureau of Labor Statistics) as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the twelve-month period ending as of March of the current year. The Annual General Adjustment shall be rounded to the nearest one-quarter of a percent. The first Annual General Adjustment shall be in accordance with Subparagraph (3) of this section.
 - (2) In the event that the percentage change in the Consumer Price Index is negative, the Annual General Adjustment shall be zero percent (0%).
 - (3) Pursuant to Subsection (a) herein, the Rental Board's first announcement of an Annual General Adjustment shall be made no later than ninety (90) days after the Board's first regular meeting. Accordingly, the first Rent increase that a Landlord may impose pursuant to this Article shall not take effect prior to October 1, 2022. For tenancies established

before May 17, 2021, the amount of the first Annual Adjustment, which shall be effective on October 1, 2022, shall be equal to seventy-five percent (75%) of the percentage increase in the CPI from May 2021 through May 2022; for tenancies established after May 17, 2021, the amount of the first Annual Adjustment shall be equal to seventy-five percent (75%) of the percentage increase in the CPI from the first month of the tenancy through May 2022. The Rental Board shall publish a schedule indicating the first Annual Adjustment allowed based on the start date of the relevant tenancy.

- (4) A Landlord who seeks to raise Rent by the Annual General Adjustment must do so within the twelve (12)-month period between October 1 of the current year and September 30 of the following year. A Landlord who fails to implement a Rent increase pursuant to the Annual General Adjustment during such period shall not be eligible to defer implementation of the Annual General Adjustment in a later year.
- (b) One Rent Increase Per Year. No more than one Rent increase per twelve-month period may be imposed on a Tenant.
- (c) Notice of Rent Increase Required. Allowable Rent increases pursuant to the Annual General Adjustment shall become effective only after the Landlord provides written notice to the Tenant in the manner prescribed by law, with at least thirty (30) days' advance written notice.
- (d) Notice Required to Increase Rent or Change Other Terms of Tenancy. As part of any notice to increase Rent or change any terms of tenancy, a Landlord must include:
 - (1) Notice of the existence of this Article; and
 - (2) The right to Petition against any Rent increase in excess of the Annual General Adjustment unless such Rent increase is pursuant to an approved Petition.
 - (3) No Rent Increase shall take effect until the requirements of this subsection have been met.
- (e) Conditions Under Which Rent Increase is Not Permitted. No Rent increase shall be effective if the Landlord:
 - (1) Has failed to substantially comply with all provisions of this Article and all rules and regulations promulgated by the Rental Board; or
 - (2) Has failed to maintain the Rental Unit in compliance with California Civil Code Sections 1941.1 et seq. and California Health and Safety Code Sections 17920.3 and 17920.10; or
 - (3) Has failed to make repairs ordered by a Hearing Officer, the Rental Board, or the City of Pasadena

(Sec. 1808 amended by vote of the people 11-5-2024; Sec. 1808 added by vote of the people 11-8-2022.)

Section 1809. - INITIAL RENTS FOR NEW TENANCIES.

- (a) Setting of Initial Rents Without Restriction. To the extent required by state law, Landlords may set the initial Rent for new Tenants without regulation by this Article.
- (b) Restrictions on Initial Rent for New Tenancies. To the maximum extent permitted by state law, the initial Rent for new tenancies shall be subject to the restrictions of this Article. The Rental Board shall issue rules and regulations to govern the restrictions on the initial Rent for new tenancies where such restrictions are permitted by state law.
- (c) Rent Increases After Setting an Initial Rent. After the Landlord sets an initial Rent pursuant to this section, the Landlord may only increase the Rent in accordance with this Article. The Landlord may not increase Rent based on cost increases, capital improvements, or other circumstances that arose before the new tenancy began.

(Sec. 1809 added by vote of the people 11-8-2022.)

Section 1810. - TENANT BUYOUT NOTIFICATION PROGRAM.

- (a) Purpose. The Tenant Buyout Notification Program provides for regulation, monitoring and enforcement of voluntary vacancies of Rental Units subject to this Article occurring pursuant to a Buyout Agreement. To promote fairness during buyout negotiations and agreements, this section requires Tenants be informed of their rights under this Article before executing a Buyout Agreement. The Rental Board may promulgate regulations to implement this section.
- (b) Disclosure Notice. Before making a Buyout Offer, the Landlord shall provide the Tenant(s) with a notice, which shall be written in the primary language of the Tenant on a form prepared and authorized by the Rental Board; and which shall be dated and signed by the Landlord and the Tenant(s).
- (c) Buyout Agreement Requirements.
 - (1) Every Buyout Agreement shall be written in the primary language of the Tenant and state in a minimum of 12-point bold type above the Tenant signature line as follows:

"You, (Tenant name), may cancel this Buyout Agreement any time up to 45 days after all parties have signed this Agreement without any obligation or penalty."
 - (2) Every Buyout Agreement shall advise the Tenant that he/she/they have the right:
 - (a) Not to enter into a Buyout Agreement;
 - (b) To consult an attorney and/or the Rental Board before signing the Buyout Agreement; and
 - (c) To cancel the Buyout Agreement at any time up to 45 days after all parties have signed it.
 - (3) Every Buyout Agreement shall be signed and dated by the Landlord and Tenant.

(4) A copy of the fully executed Buyout Agreement shall be given to the Tenant.

(d) Cancellation of Buyout Agreement.

(1) A Tenant shall have the right to cancel a Buyout Agreement for any reason for up to 45 days after execution by the Landlord and the Tenant without any financial obligation or penalty.

(2) Whenever the notice required pursuant to this section and/or the Buyout Agreement does not conform to the requirements of this section or Rental Board regulations, the Tenant shall have the right to cancel the Buyout Agreement through the applicable statute of limitations period.

(e) Filing Executed Disclosure Notice and Buyout Agreement. The Landlord shall file with the Rental Board copies of the notice required pursuant to this section signed by the Tenant and the Landlord and the Buyout Agreement within 60 days of the Buyout Agreement execution.

(f) Affirmative Defense. A violation of this section may be asserted as an affirmative defense in an unlawful detainer action.

(g) Private Right of Action. A Tenant may bring a private right of action against a Landlord who violates a provision of this section and recover damages and a penalty of \$1,000.

(Sec. 1810 added by vote of the people 11-8-2022.)

Section 1811. - PASADENA RENTAL HOUSING BOARD.

(a) Composition. There shall be in the City of Pasadena an appointed Rental Housing Board comprised of Pasadena residents as set forth in this section. The Rental Board will consist of eleven (11) members. Seven (7) members must be Tenants, None of whom may have Material Interest in Rental Property at the time of their appointment or at any later time during their service. The City Council shall appoint one Tenant member from each of the seven (7) districts of Pasadena. The remaining four (4) Rental Board members, henceforth referred to as "at-large" members, shall be appointed by the City Council, and may reside in any district of Pasadena, may or may not be Tenants, and may or may not have Material Interest in Rental Property.

In addition, the City Council shall appoint two (2) alternate Board members, one of whom will serve as the alternate to the group of seven (7) Tenants, and the other of whom will serve as the alternate to the group of four (4) at-large members. The alternate member for the Tenant group must be a Tenant and must not have Material Interest in Rental Property at the time of their appointment or at any later time during their service. The alternate Tenant Member may reside in any district of Pasadena. The alternate member for the at-large group will be appointed, as with the other at-large members, without restrictions on district of residency within Pasadena,

Tenant status, or Material Interest in Rental Property. The alternate Board Members will be permitted to attend all Board meetings, and to speak, but will not be authorized to vote unless a regular member of their corresponding group is absent from that meeting or is disqualified or recused from voting on one or more agenda items, or has resigned or been removed from the Rental Board. If any one of the Tenant Members or the Alternate Tenant Member becomes aware that they have gained Material Interest in Rental Property at any time during their service, they must resign their position on the Rental Board and notify City Council within five (5) business days. If any member resigns or is removed from the Rental Board, this will be considered a vacancy, and the member must be replaced in accordance with the procedure described in Section 1811(k). Anyone nominated to this Rental Board must be in compliance with this Article and all other local, state and federal laws regulating the provision of housing. Annually, the Rental Board shall elect one of its members to serve as chairperson.

- (b) Eligibility and Appointment. All prospective members of the Rental Board shall submit an application to the City Council. This application must include a proof of residency in whichever Pasadena district the applicant claims to reside. The application must also include the signatures of at least 25 residents of the applicant's district endorsing the appointment, collected on a form provided for this purpose by the City Clerk or designee. These signatures will be verified by the City Clerk or designee. Additionally, the application shall include a verified statement under penalty of perjury on a form provided by the City Clerk or designee of the interests and dealings of the applicant and their Extended Family in Rental Properties in the county of Los Angeles during the three (3) years immediately prior to the submission of the application. This documentation shall be made available to the public. No Extended Family member of any current member of City Council may be appointed to the Rental Board. No Tenant residing at a property owned or managed by a Council member or any member of the Council member's Extended Family, or in which any Council member or any member of their Extended Family has any ownership stake, may be appointed to the Rental Board.
- (c) Requirement of Tenant Members: Tenant Board members, including the Alternate Tenant member, must additionally, and under penalty of perjury, provide a written affirmation of their lack of Material Interest in Rental Property at the time of their initial appointment, and once each year of their service following their initial appointment. Rental Board members shall be appointed by the City Council at a public meeting within 120 days of the effective date of this Article. In the case of initial appointments, City Council must publish a solicitation for applications within 30 days of the effective date of this article. In the case of subsequent appointments due to vacancies, City Council must publish a solicitation for applications within 30 days of the date it becomes aware of the vacancy. In the case of term limits, City Council shall publish a solicitation for applications 120 days before the end of each term. In all cases,

City Council must announce their appointments within 90 days of the publication of the solicitation for applications. All solicitations must specify which position is open, and the length of each corresponding term. All forms related to the application, including the instructions for application, must be made publicly available by the City Clerk or designee by the date of each solicitation.

- (d) Term of Office. Rental Board members shall serve four (4) year terms, unless they are appointed to fill unexpired terms or are designated to fill a two (2) year term on the initial Board. Those members filling unexpired terms shall serve the remaining length of the unexpired term. Members may serve no more than eight (8) consecutive years. Member terms shall be staggered. Four (4) of the tenant appointees initially appointed shall serve for four (4) years; the terms of the remaining initial tenant appointees shall be two (2) years. Two (2) of the at-large appointees initially appointed shall serve for four (4) years; the terms of the remaining initial at-large appointees shall be two (2) years. The initial term for any alternate shall be for four (4) years. The City Council will appoint members to the Board with careful alacrity, taking care to ensure there are no unfilled Board seats. Tenant members of the Board may be removed pursuant to a petition process established by ordinance of the City Council. The petition must be signed by 10% of the qualified voters of the district from which the tenant was appointed. At-large members may be removed pursuant to a petition process established by ordinance of the City Council. The petition must be signed by 5% of the qualified voters of the City. Any member of the Board may be removed by the City Council upon petition by the Rental Board for repeated or significant violations of the Rental Board's Code of Conduct, which shall be established by the Rental Board by regulation. A petition of the Rental Board to remove a Board member must be approved by a two-thirds majority of the Rental Board members in attendance at the meeting where the petition is voted on. No vote of the electorate will be required to remove a Board member.
- (e) Powers and Duties. The Rental Board shall have the following powers and duties:
 - (1) Set allowable Rent increases at fair and equitable levels to achieve the purposes of this Article. Notwithstanding any other provision of this Article, the Rental Board shall have the authority to adopt regulations authorizing Rent increases and/or adjustments required by state or federal law.
 - (2) Establish rules and regulations for administration and enforcement of this Article.
 - (3) Determine and publicize the Annual General Adjustment pursuant to this Article.
 - (4) Appoint Hearing Officers to conduct hearings on Petitions for Individual Rent Adjustment pursuant to this Article. The duties and powers of Hearing Officers are laid out in Section 1814(a). Before a Hearing Officer is appointed, they must complete a verified statement of Material Interest under penalty of perjury, as described in Section 1811(c). This document

will be made available to the public. Additionally, a Hearing Officer will be disqualified from hearing a Petition under the same circumstances that a Board Member would be disqualified from ruling on a petition, detailed in Section 1811(q). If a Hearing Officer is disqualified from hearing a Petition, the Rental Board will appoint another Officer in their place.

- (5) Delegate authority to adjudicate petitions as appropriate and act as the appellate body that reviews and adjudicates appeals on decisions made by a Hearing Officers.
- (6) Establish procedures and timelines for hearings on Petitions, including determining the timelines and procedures for appeals to the Rental Board.
- (7) Establish procedures and timelines for the withholding of Rent by a Tenant in the event that a Landlord fails to repay them excessive Rents charged, as detailed in Section 1813(e).
- (8) Issue rules and regulations for Petitions not enumerated in this Article as necessary to effectuate the purposes of this Article.
- (9) Administer oaths and affirmations and subpoena witnesses and relevant documents.
- (10) Establish a budget for the reasonable and necessary implementation of the provisions of this Article, including but not limited to the hiring of necessary staff, such as Hearing Officers, and the maintenance of a Rental Registry. The Rental Board may charge fees in an amount sufficient to support this budget.
- (11) Administer the withdrawal process for the removal of Rental Units from the rental housing market.
- (12) Hold public hearings.
- (13) Conduct studies, surveys, investigations, audits, and hearings, and obtain information to further the purposes of this Article
- (14) Make quarterly reports to the City Council on the status of Rental Units subject to this Article. Reports shall be made available to the public and include, but not be limited to: (a) a summary of the numbers of Written Notices to Cease served pursuant to this Article, including the bases upon which they were served, (b) a summary of any and all Petitions submitted to and/or decided by a Hearing Officer and/or the Rental Board pursuant to this Article, including the bases on which the Petitions were submitted and the determinations on the Petitions, (c) a summary of any and all other matters brought before the Rental Board, and (d) a summary of egregious cases and actors with numerous or frequent violations and actors engaging with the Rental Board in bad faith.
- (15) Publicize through reasonable and appropriate means the provisions of this Article, including without limitation the rights and responsibilities of Landlords and Tenants.
- (16) Establish a schedule of penalties that may be imposed for noncompliance with this Article

or with rules and regulations promulgated under this Article.

- (17) Pursue civil remedies as provided by this Article in courts of appropriate jurisdiction.
- (18) Intervene as an interested party in any litigation brought before a court of appropriate jurisdiction by a Landlord or Tenant with respect to Rental Units subject to this Article.
- (19) Establish and maintain a Rental Registry. The Rental Board shall make all reasonable efforts to guarantee that appropriate contents of the Rental Registry are easily accessible to all Pasadena residents.
- (20) Produce written notices and other public documents in English and Spanish, and shall make a reasonable effort to accommodate additional languages as requested.
- (21) Any other duties necessary to administer and enforce this Article.
- (f) Rules and Regulations. The Rental Board shall issue and follow such rules and regulations as will further the purposes of the Article.
- (g) Meetings. The Rental Board shall hold regularly scheduled meetings as necessary to ensure the performance of its duties under this Article. All regular and special meetings shall be called and conducted in accordance with state law.
- (h) Quorum. Six (6) members, at least four (4) of whom must be Tenants, shall constitute a quorum for the Rental Board.
- (i) Voting. The affirmative vote of six (6) members of the Rental Board is required for a decision, including on all motions, regulations, and orders of the Rental Board.
- (j) Compensation. Each member of the Rental Board shall be compensated on an hourly basis for their time committed to Rental Board meetings. The chairperson of the Board will record the length of each meeting, and all Board Members in attendance will be compensated accordingly. Board Members will be compensated for a maximum of twenty (20) hours per week. The hourly rate of compensation shall be equal to 2.5 times the Pasadena minimum wage.
- (k) Vacancies. If a vacancy occurs on the Rental Board, a person qualified to fill such vacancy shall be appointed by the City Council in accordance with the appointment schedule described in Section 1811(c) as well as the eligibility conditions described in Sections 1811(a) and 1811(b). No vacancy shall remain unfilled for a period longer than 120 days. If the missing member is a non-alternate member of the Tenant group, their replacement must be appointed by the Councilmember representing their district. Otherwise, the replacement will be appointed by the City Council collectively. If the missing member is not an alternate, then the alternate member of the corresponding group (Tenant or At-large) will vote in the place of the missing member until a replacement is appointed.
- (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.
- (m) Integrity and Autonomy of Rental Board. The Rental Board shall be an integral part of the government of the City, but shall exercise its powers and duties under this Article independent from the City Council, City Manager, and City Attorney, except by request of the Rental Board. The Rental Board may request the services of the City Attorney, who shall provide them pursuant to the lawful duties of the office in Article II, Chapter 2.30 [Section 2.30.020] of the Pasadena Municipal Code. The City shall provide infrastructure support on an ongoing basis as it would with any other City department.
- (n) Board Legal Work. The Rental Board may, in its sole discretion, and without approval of the City Council, retain private attorneys to furnish legal advice or representation in particular matters, actions, or proceedings.
- (o) Conforming Regulations. If any portion of this Article is declared invalid or unenforceable by decision of a court of competent jurisdiction or rendered invalid or unenforceable by state or federal legislation, the Rental Board and not the City Council shall have authority to enact replacement regulations consistent with the intent and purpose of the invalidated provision and applicable law. Such replacement regulations shall supersede invalidated or

unenforceable provisions of this Article to the extent necessary to resolve any inconsistency. The subject matter of such replacement regulations shall be limited to the matters addressed in this Article.

- (p) Designation of Replacement Rental Board. In the event the establishment of the Rental Board under this section is adjudged to be invalid for any reason by a court of competent jurisdiction, the City Council shall designate one or more City departments, agencies, Rental Boards, or commissions to perform the duties of the Rental Board prescribed by this Article.
- (q) Conflict of Interest. Rental Board members shall not necessarily be disqualified from exercising any of their powers and duties on the grounds of a conflict of interest solely on the basis of their status as a Landlord, Property manager, realtor, developer, or Tenant, provided they meet the eligibility requirements of their respective group (Tenant or at-large). However, a Rental Board member shall be disqualified from ruling on a Petition if the Rental Board member either has Material Interest in a Rental Property involved in the Petition, or is a Tenant at that Property, or has an Extended Family member who is a Tenant at the Property, or has met any of these criteria at any time since their appointment to the Rental Board, or during the three (3) years preceding their appointment. The provisions of the Political Reform Act, California Government Code Sections 87100 et seq. shall apply.

(Sec. 1811 amended by vote of the people 11-5-2024; Sec. 1811 amended by vote of the people 3-5-2024; Sec. 1811 added by vote of the people 11-8-2022.)

Section 1812. - RENTAL REGISTRY.

The Rental Board shall create a Rental Registry and online portal pursuant to the requirements of this section. The Rental Registry and online portal shall be designed to receive information from owners of Properties subject to registration and to disseminate information to the public. The Rental Board shall promulgate regulation necessary to implement these provisions.

- (a) Covered Properties. Properties with Covered Rental Units are subject to registration in the Rental Registry. The Rental Board may require additional Properties to be subject to registration at its discretion.
- (b) Owner Information Submission. All owners of Property subject to registration must complete and submit a rental registry form for each such Property no later than 90 days after the Rental Registry becomes operational, and subsequently every following year, as established by regulation by the Rental Board. In the event of any change in Property ownership, the new owner must register or update the Rental Registry within 30 days of the change of ownership.
- (c) Data Collected. The rental registry form shall collect information about Rental Units subject

to registration, including but not limited to:

- (1) The legal address or addresses of each Property, and all associated Rental Unit numbers or addresses.
 - (2) The legal name of the owner or ownership entity for each Property, including, but not limited to, limited partners, general partners, and LLC members.
 - (3) The name and contact information of a natural person serving as point of contact for purposes of service or contact.
 - (4) The number and size of each Rental Unit, including the number of bedrooms, bathrooms, and approximate square footage of the Rental Unit.
 - (5) The beginning and end dates (if any) of all tenancies begun or terminated within the past year.
 - (6) The amount of Rent collected over the past year for each Rental Unit during each month of occupation.
 - (7) The utilities, services, and other amenities included in the Rent for each Rental Unit.
- (d) Online Portal. The Rental Board shall make the following information available as part of the online portal:
- (1) The maximum lawful rent for each Rental Unit.
 - (2) The actual rent charged each month that the unit was occupied.
 - (3) The beginning and end dates (if any) of all tenancies begun or ended within the past year.
 - (4) The number of bedrooms in each Rental Unit and the approximate square footage of each Rental Unit.
 - (5) Additional information as required by regulations promulgated by the Rental Board.
- (e) Violations. The Rental Board may also publish information about violations of housing codes or violations of this article pertaining to a given Rental Unit through the online portal. If the Rental Board chooses to publish such information, it must establish regulations which limit or redact these publications in order to balance the desire for transparency with a respect for the privacy of Tenants. Such regulations must also guarantee that these publications do not violate any applicable law.
- (f) Data Publication. The Rental Board should regularly collect, analyze, and publish various local statistics computed using the data described in (d) and (e) above, including, but not limited to statistics regarding rents, rent increases, unit mix, changes in tenancy, and code compliance and violations.
- (g) Other Jurisdictions. The Rental Board may determine that, if another jurisdiction maintains

a publicly available Rental Registry that collects and makes available substantially the same information, it may be more efficient and financially responsible for the Rental Registry authorized and required in this Section to be combined with the Rental Registry of another jurisdiction. The Rental Board may issue regulations from time to time to maximize the efficiency of this duty while complying with the substantive requirements of this Section.

- (h) Failure to Register. Pursuant to Section 1817(g), the Rental Board shall establish appropriate penalties for the failure of a Landlord to register any Property subject to registration under this Section.

(Sec. 1812 amended by vote of the people 11-5-2024; Sec. 1812 amended by vote of the people 3-5-2024; Sec. 1812 added by vote of the people 11-8-2022.)

Section 1813. - PETITIONS FOR INDIVIDUAL RENT ADJUSTMENT—BASES.

A Landlord or a Tenant may file a Petition with the Rental Board seeking adjustment, either upward or downward, of the Rent for any given tenancy in accordance with the standards set forth in this section, and using the procedures set forth in Section 1814 herein and implementing regulations. A Petition shall be on a form provided by the Rental Board and, if made by the Landlord, shall include a declaration by the Landlord that the Covered Rental Unit complies with all requirements of this Article.

- (a) Petition for Upward Adjustment - Fair Return. To effectuate the purposes of this Article and the requirements of law, a Landlord may file a Petition for an upward adjustment of the Rent to ensure a Fair Return. It is the intent of this Article that individual upward adjustments in Rent be granted only when the Landlord demonstrates that such adjustments are necessary to provide the Landlord with a Fair Return. The Rental Board may promulgate regulations to further govern Petitions filed pursuant to this subsection in accordance with law and the purposes of this Article.

- (1) Prerequisites. No upward adjustment of Rent shall be authorized by a Hearing Officer or the Rental Board under this subsection if the Landlord:

- (A) Has continued to fail to comply, after order of the Rental Board or other authority, with any provisions of this Article or orders or regulations issued thereunder; or
 - (B) Has failed to maintain the Covered Rental Unit in compliance with California Civil Code Sections 1941.1 et seq. and California Health and Safety Code Sections 17920.3 and 17920.10.

- (b) Fair Return Standard.

- (1) Presumption of Fair Base Year Net Operating Income. It shall be presumed that the net operating income received by the Landlord in the Base Year provided a fair return.

- (2) Fair Return. A Landlord has the right to obtain a net operating income equal to the

Base Year net operating income adjusted by fifty percent (50%) of the Consumer Price Index (CPI), as defined in Section 1808(a)(1) herein, since the Base Year. It shall be presumed this standard provides a fair return. The Base Year CPI shall be the annual CPI for calendar year 2021. The "current year" CPI shall be the annual CPI for calendar year preceding the calendar year the application is filed.

(3) Base Year.

- (A) For the purposes of making Fair Return determinations pursuant to this section, the Base Year means the 2021 calendar year.
- (B) In the event that a determination of the allowable Rent is made pursuant to this section, if a subsequent Petition is filed the Base Year shall be the year that was considered as the "current year" in the prior Petition.

(4) Adjustment of Base Year Net Operating Income. The Landlord may present evidence to rebut the presumption of Fair Return based upon the Base Year net operating income as set forth in Subsection (b)(1) of this section based on at least one of the following findings:

- (A) Exceptional Expenses in the Base Year. The Landlord's operating expenses in the Base Year were unusually high or low in comparison to other years. In such instances, adjustments may be made in calculating operating expenses so the Base Year operating expenses reflect average expenses for the Property over a reasonable period of time. The following factors shall be considered in making such a finding:
 - (i) Extraordinary amounts were expended for necessary maintenance and repairs.
 - (ii) Maintenance and repair was below accepted standards so as to cause significant deterioration in the quality of services provided.
 - (iii) Other expenses were unreasonably high or low notwithstanding the application of prudent business practices.
- (B) Exceptional Circumstances in the Base Year. The gross income during the Base Year was disproportionately low due to exceptional circumstances. In such instances, adjustments may be made in calculating Base Year gross rental income consistent with the purposes of this Chapter. The following factors shall be considered in making such a finding:
 - (i) If the gross income during the Base Year was lower than it might have been because some residents were charged reduced Rent.
 - (ii) If the gross income during the Base Year was significantly lower than normal because of the destruction of the premises and/or temporary eviction for

construction or repairs.

- (iii) The pattern of Rent increases or decreases in the years prior to the Base Year and whether those changes reflected increases in the CPI.
- (iv) Base period Rents were disproportionately low in comparison to the base period Rents of other Rental Units in the City.
- (v) Other exceptional circumstances.

(5) Calculation of Net Operating Income.

(A) Net Operating Income. Net operating income shall be calculated by subtracting operating expenses from gross rental income.

(B) Gross Rental Income.

(i) Gross rental income shall include:

- (I) Gross rents calculated as gross rental income at one hundred percent occupancy, adjusted for uncollected Rents due to vacancy and bad debts to the extent such vacancies or bad debt are beyond the control of the Landlord. Uncollected Rents in excess of three percent (3%) of gross rent shall be presumed to be unreasonable unless established otherwise by the Landlord and shall not be included in computing gross income.
- (II) All other income or consideration received or receivable in connection with the use or occupancy of the Rental Unit, except as provided in Clause (ii) of this section.

(ii) Gross rental income shall not include:

- (I) Utility Charges for charges for sub-metered gas, electricity or water.
- (II) Charges for refuse disposal, sewer service, and/or other services which are either provided solely on a cost pass-through basis and/or are regulated by state or local law.
- (III) Charges for laundry services.
- (IV) Storage charges.
- (V) Additional rents imposed upon Tenants which are supplementary to the primary Rent, such as "pet rent."

(6) Operating Expenses.

(A) Included in Operating Expenses. Operating expenses shall include the following:

- (i) Reasonable costs of operation and maintenance.
- (ii) Management Expenses. It shall be presumed that management expenses have increased by the percentage increase in Rents or the CPI, whichever is greater,

between the Base Year and the current year unless the level of management services has either increased or decreased significantly between the Base Year and the current year.

- (iii) Utility Costs. Utility Costs except utility where the consideration of the income associated with the provision of the utility service is regulated by state law and consideration of the costs associated with the provision of the utility service is preempted by state law.
- (iv) Real Property Taxes. Property taxes are an allowable expense, subject to the limitation that property taxes attributable to an assessment in a year other than the Base Year or current year shall not be considered in calculating Base Year and/or current year operating expenses.
- (v) License and registration fees. License and registration fees required by law to the extent these expenses are not otherwise paid or reimbursed by Tenants.
- (vi) Landlord-performed labor. Landlord-performed labor compensated at reasonable hourly rates. However, no Landlord-performed labor shall be included as an operating expense unless the Landlord submits documentation showing the date, time, and nature of the work performed. There shall be a maximum allowed under this provision of five percent (5%) of gross income unless the Landlord shows greater services were performed for the benefit of the residents.
- (vii) Costs of Capital Replacements. Costs of capital replacements plus an interest allowance to cover the amortization of those costs where all of the following conditions are met:
 - (I) The costs, less any insurance proceeds or other applicable recovery, are averaged on a per unit basis for each Rental Unit actually benefited by the improvement.
 - (II) The costs are amortized over a period of not less than thirty-six months.
 - (III) The costs do not include any additional costs incurred for Property damage or deterioration that result from any unreasonable delay in undertaking or completing any repair or improvement.
 - (IV) The costs do not include costs incurred to bring the Rental Unit into compliance with a provision of the Pasadena Municipal Code or state law where the original installation of the improvement was not in compliance with code requirements.
 - (V) At the end of the amortization period, the allowable monthly Rent is

decreased by any amount it was increased because of the application of this provision.

(VI) The amortization period shall be in conformance with a schedule adopted by the Rental Board unless it is determined that an alternate period is justified based on the evidence presented in the hearing.

(viii) Legal Expenses. Attorneys' fees and costs incurred in connection with successful good faith attempts to recover Rents owing, successful good faith unlawful detainer actions not in derogation of applicable law, and legal expenses necessarily incurred in dealings with respect to the normal operation of the Property. Reasonable fees, expenses, and other costs incurred in the course of successfully pursuing rights under or in relationship to this Chapter and regulations adopted pursuant to the Chapter including costs incurred in the course of pursuing successful Petitions. Said expenses shall be amortized over a five-year period, unless the Rental Board concludes that a different period is more reasonable.

Allowable legal expenses which are of a nature that does not recur annually shall be amortized over a reasonable period of time. At the end of the amortization period, the allowable monthly Rent shall be decreased by any amount it was increased because of the application of this provision.

(ix) Interest Allowance for Expenses that Are Amortized. An interest allowance shall be allowed on the cost of amortized expenses; the allowance shall be the interest rate on the cost of the amortized expense equal to the "average rate" for thirty-year fixed rate on home mortgages plus two percent. The "average rate" shall be the rate Freddie Mac last published in its weekly Primary Mortgage Market Survey (PMMS) as of the date of the initial submission of the Petition. In the event that this rate is no longer published, the Rental Board shall designate by regulations an index which is most comparable to the PMMS index which shall be used.

(x) Rental Housing Fee, as defined in Section 1803(v) and 1811(l)(1).

(B) Exclusions from Operating Expenses. Operating expenses shall not include the following:

- (i) Mortgage principal or interest payments or other debt service costs.
- (ii) Any penalties, fees or interest assessed or awarded for violation of any provision of this chapter or of any other provision of law.
- (iii) Land lease expenses.

- (iv) Political contributions.
 - (v) Payments to organizations which are substantially devoted to legislative lobbying purposes.
 - (vi) Depreciation.
 - (vii) Any expenses for which the Landlord has been reimbursed by any utility rebate or discount, Security Deposit, insurance settlement, judgment for damages, settlement or any other method or device.
 - (viii) Unreasonable increases in expenses since the Base Year.
 - (ix) Expenses associated with the provision of master-metered gas and electricity services.
 - (x) Expenses which are attributable to unreasonable delays in performing necessary maintenance or repair work or the failure to complete necessary replacements (e.g., a roof replacement may be a reasonable expense, but if water damage occurred as a result of unreasonable delays in repairing or replacing the roof, it would not be reasonable to pass through the cost of repairing the water damage).
- (C) Adjustments to Operating Expenses. Base Year and/or current operating expenses may be averaged with other expense levels for other years or amortized or adjusted by the CPI or may otherwise be adjusted, in order to establish an expense amount for that item which most reasonably serves the objectives of obtaining a reasonable comparison of Base Year and current year expenses. Grounds for such adjustments include, but are not limited to:
- (i) An expense item for a particular year that is not representative.
 - (ii) The Base Year expense is not a reasonable projection of average past expenditures for that item in the years immediately preceding or following the Base Year.
 - (iii) The current year expense is not a reasonable projection of expenditures for that item in recent years or of future expenditures for that item.
 - (iv) A particular expense exceeds the normal industry or other comparable standard for the area, the Landlord shall bear the burden of proving the reasonableness of the expense. To the extent that it is found that the expense is unreasonable it may be adjusted to reflect the normal industry standard.
 - (v) A Base Year expense is exceptionally low by industry standards and/or on an inflation adjusted basis is exceptionally low relative to current year expenses although the level or type of service has not changed significantly.

- (vi) An increase in maintenance or management expenses is disproportionate to the percentage increase in the CPI, while the level of services has not changed significantly and/or is not justified by special circumstances.
- (7) Rent Increases for Periods Preceding Date that a Landlord Implemented Rent Increases Pursuant to this Section. In the event that the period for determining the allowable Rent increase pursuant to this section exceeds 120 days, the Landlord may recover increases that would have been permitted if the Rent increase decision had been made within 120 days. The allowance for these increases may be amortized or may be factored into the prospective allowable increase in order to avoid undue hardship on the Tenants.
- (8) Assurance of a Fair Return. It shall be presumed that the MNOI standard provides a fair return. Nothing in this Article shall preclude the Rental Board or Hearing Officer from granting an increase that is necessary in order to meet constitutional fair return requirements.
- (9) Effective Date of Individual Rent Adjustment. Rent increases authorized pursuant to this subsection shall become effective only after the Landlord provides the Tenant written notice of such Rent increase pursuant to state law.
- (c) Petition for Downward Adjustment - Failure to Maintain Habitable Premises.
 - (1) Failure to maintain a Covered Rental Unit in compliance with governing health and safety and building codes, including but not limited to California Civil Code Sections 1941.1 et seq. and California Health and Safety Code Sections 17920.3 and 17920.10, constitutes an increase in Rent. A Tenant may file a Petition with the Rental Board to adjust the Rent downward based on a loss in rental value attributable to the Landlord's failure to maintain the Rental Unit in habitable condition.
 - (2) A Tenant Petition filed pursuant to this subsection must specify the conditions alleged to constitute the failure to maintain the Rental Unit in habitable condition and demonstrate that the Landlord was provided with reasonable notice and opportunity to correct the conditions that form the basis for the Petition.
- (d) Petition for Downward Adjustment - Decrease in Housing Services or Maintenance. A decrease in Housing Services or maintenance, or deterioration of a Covered Rental Unit beyond ordinary wear and tear, without a corresponding reduction in Rent, is considered an increase in Rent. A Tenant may file a Petition to adjust the Rent downward based on a loss in rental value attributable to a decrease in Housing Services or maintenance or deterioration of the Rental Unit. The Petition must specify the circumstances alleged to constitute a decrease in Housing Services or maintenance, and demonstrate that the Landlord was provided with reasonable notice and an opportunity to correct in like

manner to Petitions filed pursuant to Subsection (c)(2) herein.

(e) Petition for Downward Adjustment - Unlawful Rent: If a Landlord demands or retains Rent in excess of the lawful Rent pursuant to this Article, a Tenant may file a Petition to adjust the Rent to its lawful level. If such a Petition is granted, the Landlord shall be ordered to return any excessive Rent charged to the Tenant in violation of this Article. If the Landlord fails to comply with the Petition as granted within thirty (30) days of the issuance of the order, the Hearing Officer or Rental Board may authorize the Tenant to withhold a fraction of the downward-adjusted Rent until the Tenant has recovered the unlawful Rent amount collected as determined by the Petition order. This withholding fraction shall be determined by the Hearing Officer or Rental Board in accordance with withholding guidelines established by the Rental Board. During the withholding period, the downward-adjusted rent minus the withholding amount shall be considered the lawful rent to which the Landlord is legally entitled.

(1) Defense to Nonpayment Ground for Eviction. The Petition order shall constitute a defense to any unlawful detainer action pursuant to Section 1806(a)(1) filed against a Tenant withholding Rent as authorized pursuant to this subsection. However, the issuance of an order from the Hearing Officer or Rental Board authorizing the withholding of Rent pursuant to a Petition order shall not prevent a Tenant from asserting previous overpayments of Rent as a defense in an unlawful detainer pursuant to Section 1806(a)(1).

(2) Judicial Enforcement of Decision. A Tenant may also seek judicial enforcement of the Petition order from a court of competent jurisdiction. In appropriate cases, the Board may independently seek judicial enforcement of a Petition order. In the event that a Tenant vacates the Rental Unit prior to recovering the full amount as determined in the Petition order, the Landlord must pay the balance of the amount owed within two weeks of the Tenant vacating the Rental Unit.

(Sec. 1813 amended by vote of the people 3-5-2024; Sec. 1813 added by vote of the people 11-8-2022.)

Section 1814. - PETITIONS FOR INDIVIDUAL RENT ADJUSTMENT—PROCEDURES.

The Rental Board shall promulgate regulations regarding procedures for Petitions filed under this Article. Petitions shall be governed by such regulations and by the provisions of this section.

(a) Hearing Officer. A Hearing Officer appointed by the Rental Board shall conduct a hearing to act upon the Petition, and shall have the power to administer oaths and affirmations, and to render a final decision on the merits of the Petition, subject to the provisions of this Article.

- (b) Notice. The Rental Board shall notify the Landlord, if the Petition was filed by the Tenant, or the Tenant, if the Petition was filed by the Landlord, of the receipt of such a Petition and provide a copy thereof.
- (c) Time of Hearing. Each party to a Petition shall receive sufficient advance notice of the bases, theories, and relevant documents to be presented by the other party(ies), and of the time, date, and place of any hearing regarding the Petition. Extra diligent effort will be made to prioritize and schedule hearings to accommodate the work schedules and other obligations of each Party, including but not limited to, scheduling on evenings and weekends.
- (d) Developing the Record. The Hearing Officer may require either party to a Petition to provide any books, records, and papers deemed pertinent. If the Hearing Officer finds good cause to believe that a building or other inspection would assist in resolving the issues raised by the Petition, the Hearing Officer may conduct an inspection and/or request the City to conduct an inspection. The Tenant may request the Hearing Officer to order such an inspection prior to the date of the hearing. All documents required under this subsection shall be made available to the parties involved prior to the hearing. The parties to the hearing may be present during the inspection.
- (e) Open Hearings. All hearings conducted pursuant to this section shall be open to the public unless prohibited by state or federal law.
- (f) Right of Assistance. All parties to a hearing conducted pursuant to this section may have assistance in presenting evidence and developing their position from attorneys, legal workers, Recognized Tenant Organization representatives, or any other persons designated by said parties.
- (g) Hearing Record. The Rental Board shall make available for inspection and copying any official record that shall constitute the exclusive record for decision on the issues at the hearing. The record of the hearing, or any part of one, shall be obtainable for the reasonable cost of copying. All hearings shall be audio or video recorded, as ordered by the Hearing Officer, and any party to the Petition may receive a copy of the recording upon payment of a reasonable cost.
- (h) Quantum of Proof and Notice of Decision. No Petition for Individual Rent Adjustment, whether upward or downward, shall be granted unless supported by the preponderance of the evidence submitted prior to and at the hearing. All parties to a hearing shall be sent a notice of the decision and a copy of the findings of fact and law upon which said decision is based. At the same time, parties to the proceeding shall also be notified of their right to appeal to the Rental Board and/or to judicial review.
- (i) Consolidation. Whether submitted by a Landlord or Tenant(s), all Petitions pertaining to

Covered Rental Units at the same Property may be consolidated for hearing upon a showing of good cause.

- (j) Appeal. Any person aggrieved by the decision of the Hearing Officer may appeal to the full Rental Board for review. On appeal, the Rental Board shall affirm, reverse, or modify the decision of the Hearing Officer. The decision on appeal shall be based on the hearing record, and the Rental Board may hear and/or find facts in addition to those presented to the Hearing Officer.
- (k) Finality of Decision. The decision of the Hearing Officer shall be the final decision of the Rental Board, unless an aggrieved party has timely sought an appeal to the Rental Board. The decision of the Rental Board on appeal shall be final unless an aggrieved party has timely sought judicial review pursuant to law.
- (l) Time for Decision. A final decision on any Petition shall be made within a reasonable time. Decisions decreasing Rent shall remain in effect until the Landlord has corrected the defect warranting the decrease. The Rental Board shall, by regulation, establish procedures for making prompt compliance determinations.
- (m) Fair Return Guaranteed. No provision of this Article shall be applied so as to prohibit the Rental Board from granting an Individual Rent Adjustment that is demonstrated by the Landlord to be necessary to provide the Landlord with a Fair Return.

(Sec. 1814 added by vote of the people 11-8-2022.)

Section 1815. - JUDICIAL REVIEW.

A Landlord or Tenant aggrieved by any action or decision of the Rental Board may seek judicial review pursuant to state law and this Article and its implementing regulations. No action or decision by the Rental Board shall go into effect until any statutory time period for such review has expired.

(Sec. 1815 added by vote of the people 11-8-2022.)

Section 1816. - NON-WAIVABILITY.

Any provision of a Rental Housing Agreement, whether oral or written, which purports to waive any provision of this Article established for the benefit of the Tenant, shall be deemed to be against public policy and shall be void.

(Sec. 1816 added by vote of the people 11-8-2022.)

Section 1817. - REMEDIES.

In addition to any other remedies provided by law, Landlords and Tenants covered by this Article shall

have the following remedies for violations of this Article.

- (a) Landlord's Demand or Retention of Excessive Rent. When a Landlord demands, accepts, receives, or retains any payment or payments in excess of the lawful Rent pursuant to this Article and the regulations promulgated hereunder, including in violation of the provisions ensuring compliance with habitability standards and maintenance of Housing Services, the Tenant may file a Petition pursuant to Section 1813 or file a civil suit against the Landlord. A Landlord who demands, accepts, receives, or retains any payment of Rent in excess of the lawful Rent shall be liable to the Tenant in the amount by which the payment or payments have exceeded the lawful Rent. In such a case, the Rent shall be adjusted to reflect the lawful Rent pursuant to this Article and its implementing regulations.
- (b) Civil Remedies. A Tenant may bring a civil suit in the courts of the state alleging that a Landlord has violated any of the provisions of this Article or the regulations promulgated hereunder, including that the Landlord has demanded, accepted, received, or retained a payment or payments in excess of the lawful Rent. In a civil suit, a Landlord found to violate this Article shall be liable to the Tenant for all actual damages, including but not limited to the damages described in Subsection (a) herein. A prevailing Tenant in a civil action brought to enforce this Article shall be awarded reasonable attorney's fees and costs as determined by the court. Additionally, upon a showing that the Landlord has acted willfully or with oppression, fraud, or malice, the Tenant shall be awarded treble damages. No administrative remedy need be exhausted prior to filing suit pursuant to this subsection.
- (c) Additional Relief for Landlord's Violation of Eviction Rules. If it is shown that the event which the Landlord claims as grounds to recover possession under Section 1806 is not initiated within two (2) months after the Tenant vacates the Rental Unit, or it is shown that the Landlord's claim was false or in bad faith, the Tenant shall be entitled to regain possession of the Rental Unit at same Rent that was lawfully in effect when the Tenant vacated, in addition to the relief described in Subsection (b) herein.
- (d) Defense to Action to Recover Possession. A Landlord's failure to comply with any of the provisions of this Article or regulations promulgated hereunder may be raised as an affirmative defense in an unlawful detainer or other action brought by the Landlord to recover possession of the Rental Unit. Any and all violations of this Article by the Landlord shall constitute such an affirmative defense, including but not limited to the demand or retention of payment in excess of the lawful Rent, failure to serve any of the notices required pursuant to this Article on the Tenant or the Rental Board, failure to pay the Rental Housing Fee, failure to pay any required Relocation Assistance, and a decrease in Housing Services or maintenance without a corresponding reduction in Rent. It is the

intent of this Article to construe this subsection to the broadest extent permissible under the law to ensure maximum compliance with this Article and avoid unlawful evictions.

- (e) Eviction Protection for Victims of Domestic Violence or Sexual Assault or Stalking or Abuse. It shall be a defense to an action for possession of a unit under Section 1806(a)(3)-(4) if the trier of fact determines that:
 - (A) The Tenant or the Tenant's household member is a victim of an act or acts that constitute domestic violence or sexual assault or stalking or abuse; and
 - (B) The notice to vacate is substantially based upon the act or acts constituting domestic violence or sexual assault or stalking or abuse against the Tenant or a Tenant's household member, including but not limited to an action for possession based on complaints of noise, disturbances, or repeated presence of police.
- (f) Rental Board or City Attorney Enforcement Action. If the Tenant fails to bring a civil or administrative action to enforce the Tenant's rights under this Article, the Rental Board or the City Attorney may bring such an action or settle the claim on the Tenant's behalf. If the Rental Board or City Attorney brings such an action, the Tenant shall be provided the right to opt in or out of the action. In the case of an opt-in, the Tenant on whose behalf the Rental Board acted is barred from bringing a separate action against the Landlord in regard to the same violation, and the Rental Board or City Attorney shall be entitled to recuperate the costs it incurred from any monetary recovery from the Landlord, with the remainder to go to the Tenant against whom the violation has been committed. In the case of an opt-out, the Tenant shall retain all rights relating to his or her right to private action. The Rental Board or City Attorney may take other such enforcement action as necessary to ensure compliance with this Article.
- (g) Administrative Penalties for Violations. In addition to any affirmative defense or any other rights of a tenant under law, a violation of this Article shall be punishable administratively by way of a fine. The Rental Board may establish, and periodically modify, a schedule of fines for violations of various provisions of this article as they see fit, provided these amounts are reasonable, and are chosen in accordance with applicable law.
- (h) Criminal Penalties. In addition to the administrative penalties in subsection (g) above, any person that violates this Article may be prosecuted for a misdemeanor or an infraction in accordance with the Pasadena Municipal Code, in the discretion of the City Attorney or City Prosecutor, or their assistants.
- (i) Remedies Not Exclusive. The remedies available in this Article are not exclusive and may be used cumulatively with any other remedies in this Article or otherwise available at law.
- (j) Jurisdiction. The appropriate court in the jurisdiction in which the Rental Unit is located

shall have jurisdiction over all actions brought under this Article.

(Sec. 1817 amended by vote of the people 11-5-2024; Sec. 1817 added by vote of the people 11-8-2022.)

Section 1818. - INJUNCTIVE AND OTHER CIVIL RELIEF.

The Rental Board, Tenants, and Landlords may seek relief from the appropriate court in the jurisdiction where the affected Rental Unit is located to enforce any provision of this Article or its implementing regulations or to restrain or enjoin any violation of this Article and of the rules, regulations, orders, and decisions of the Rental Board.

(Sec. 1818 added by vote of the people 11-8-2022.)

Section 1819. - PARTIAL INVALIDITY.

If any provision of this Article or application thereof to any person or circumstances is held invalid, this invalidity shall not affect other provisions or applications of this Article that can be given effect without the invalid provision or application, and to this end the provisions of this Article are declared to be severable. This Article shall be liberally construed to achieve the purposes of this Article and to preserve its validity.

(Sec. 1819 added by vote of the people 11-8-2022.)

Section 1820. - SUPERSEDES.

- (a) This Article supersedes any conflicting provisions of a municipal ordinance covering the area of rents, evictions, relocation assistance, or other matters addressed herein. However, nothing in this subsection shall be construed to restrict the authority of the City Council to enact complimentary or non-conflicting ordinances or take other such actions within its powers, where such ordinances or actions are designed to comply with or further the terms and purposes of this Article.
- (b) In the event any other ballot initiative addressing in whole or in part the same subject matter as this Article is approved by a majority of the voters voting thereon at the same election, the following provisions shall apply:
 - (1) This Charter Amendment shall supersede and prevail over any initiative ordinance which amends the Pasadena Municipal Code, regardless of the number of affirmative votes received; and
 - (2) If this Article receives a greater number of affirmative votes than any other such proposed charter amendment, including one that would provide that property owners have the right to set the price at which they rent residential property, then this Article shall control in its

entirety and the other proposed charter amendment shall be rendered void and without any legal effect; and

- (3) If this Article receives fewer affirmative votes than any other such proposed charter amendment, including one that would provide that property owners have the right to set the prices at which they rent residential property, all provisions of this Article which are not directly contradicted by the initiative receiving a greater number of affirmative votes will apply to the extent permitted by law.

(Sec. 1820 added by vote of the people 11-8-2022.)

Section 1821. - CONFLICTING CHARTER PROVISIONS.

To the extent that any of the provisions of this Article conflict with other provisions of the Pasadena City Charter, the provisions of this Article shall govern. This Article, however, is not intended to revise, repeal, or supersede any other provisions of the Pasadena City Charter with respect to matters not addressed herein. As such, this Article shall have the effect of amending the Pasadena City Charter as necessary for the Rental Board to exercise its authority and fulfill its responsibilities as specifically identified herein, but this Article shall not otherwise amend the Pasadena City Charter with respect to the powers and limitations of other boards and commissions.

(Sec. 1821 added by vote of the people 11-8-2022.)

Section 1822. - CODIFICATION.

The City Clerk and the City Attorney shall take all steps necessary to ensure the proper and efficient codification of this Article into the Charter of the City of Pasadena. This authority shall include making any necessary revisions to numbering, revising or substituting any references herein to other provisions of Pasadena or State law, and similar non-substantive items. In exercising this authority, the City Clerk and City Attorney shall not alter the substantive provisions of this Article nor take any action that contradicts express terms and purpose of this Article.

(Sec. 1822 added by vote of the people 11-8-2022.)

Section 1823. - DUTY TO DEFEND.

The City Attorney shall take all steps necessary to zealously defend against any legal challenges to the validity of this Article. If the City Attorney is unable or unwilling to defend, an interested third party may intervene to defend. Any third party that defends this Article shall be entitled to court awarded attorney's fees and costs.

(Sec. 1823 added by vote of the people 11-8-2022.)

Section 1824. - MAJORITY APPROVAL, EFFECTIVE DATE, EXECUTION.

This Amendment to the Pasadena City Charter shall be effective only if approved by a majority of the voters voting thereon and shall go into effect ten (10) days after the vote is declared by the City Council. The Mayor and City Clerk are hereby authorized to execute this Article to give evidence of its adoption by the voters.

(Sec. 1824 added by vote of the people 11-8-2022.)