1 NIELSEN MERKSAMER PARRINELLO GROSS & LEONI LLP 2 Christopher E. Skinnell, Esq. (S.B. No. 227093) Hilary J. Gibson, Esq. (S.B. No. 287862) 3 2350 Kerner Boulevard, Suite 250 4 San Rafael, California 94901 Telephone: (415) 389-6800 5 Facsimile: (415) 388-6874 6 Email: cskinnell@nmgovlaw.com Email: hgibson@nmgovlaw.com Attorneys for Plaintiff/Petitioners 8 CALIFORNIA APARTMENT 9 ASSOCIATION, AHNI DODGE, SIMON GIBBONS, MARGARET MORGAN, 10 DANIELLE MOSKOWITZ, & TYLER 11 WERRIN 12 13 SUPERIOR COURT FOR THE STATE OF CALIFORNIA 14 COUNTY OF LOS ANGELES 15 16 CALIFORNIA APARTMENT ASSOCIATION, Case No. 22STCP04376 17 AHNI DODGE, SIMON GIBBONS, 18 MARGARET MORGAN, DANIELLE PLAINTIFFS' MOTION FOR MOSKOWITZ, & TYLER WERRIN, JUDGMENT ON THE WRIT AND 19 MEMORANDUM OF POINTS & Plaintiffs and Petitioners, 20 AUTHORITIES IN SUPPORT vs. THEREOF 21 CITY OF PASADENA, PASADENA CITY Assigned for all purposes to Hon. 22 COUNCIL, and DOES 1-10, Mary H. Strobel, Dept. 82 23 Defendants and Respondents. Petition filed Dec. 16, 2022 24 25 DATE: March 28, 2023 TIME: 9:30 a.m. 26 MICHELLE WHITE, RYAN BELL, and AFFORDABLE PASADENA, 27 Intervenor-Defendants/Respondents 28

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TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

NOTICE IS HEREBY GIVEN that on March 28, 2023, at 9:30 A.M., in Department 82 of this Court located at 111 North Hill Street, Los Angeles, California 90012, Plaintiffs & Petitioners will move for the issuance of a peremptory writ of mandate declaring Pasadena's Measure H, approved by the voters at the November 2022 election, to be invalid. The motion is made on grounds that:

- (1) Due to the breadth of its changes to Pasadena's basic governmental structure, Measure H proposes an unlawful *revision* to the Pasadena City Charter, which may not be enacted by voter-circulated initiative, rather than a lawful *amendment*, which may be enacted by voter initiative;
- (2) Measure H conditions the right to hold the office of Rental Housing Board member on a property qualification (and imposes such condition on a supermajority of seats on the Rental Housing Board) in violation of the California and United States Constitutions; and
- (3) Various provisions of Measure H conflict with, and are therefore preempted by, controlling state law, including the Costa-Hawkins Rental Housing Act, Civ. Code § 1954.50 et seq. ("Costa-Hawkins"); the Ellis Act, Govt. Code § 7060 et seq.; the State's unlawful detainer statutes, Code Civ. Proc. § 1159 et seq.; and various other state law provisions governing rental housing.

This motion is based on this notice and motion, the accompanying memorandum of points and authorities, Plaintiffs' Record, filed herewith, and such further evidence and briefing as may be filed in connection with this motion.

1	Dated: February 24, 2023		N MERKSAMER INELLO GROSS & LEONI LLP
$\begin{bmatrix} 2 \\ 3 \end{bmatrix}$			Phistophia Il
4		By: C	Christopher E. Skinnell
5		Att	torneys for Plaintiff/Petitioners
6		CA	LIFORNIA APARTMENT SOCIATION, AHNI DODGE, SIMON
7		GI	BBONS, MARGARET MORGAN, ANIELLE MOSKOWITZ, & TYLER
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I. INTRODUCTION.

Initially adopted in 1900, Pasadena's City Charter was comprehensively revised in 1968¹ to establish the fundamental framework for the City's government that remains in effect today: a "council-manager" form of government, in which all of the City's legislative and quasi-judicial powers reside with a Mayor and seven councilmembers (collectively acting as the City Council), and all the City's executive and administrative powers reside with the Mayor and City Manager. See Plaintiffs' Record (hereafter "Rec."), pp. 83, 85-86 & 88-90 (Charter §§ 401, 406-410, 601 & 604).²

The initiative entitled the "Pasadena Fair and Equitable Housing Charter Amendment," narrowly approved by the voters of Pasadena as Measure H at the November 2022 election and challenged herein, seeks to fundamentally alter this basic form of government. It creates a new "Rent Board" that would operate entirely independently of the rest of the City government and would usurp the Council's and City Manager's executive and legislative powers in a host of ways. Among the core powers conferred upon the Rent Board (and thereby stripped away from the Council and City Manager) are the powers to (1) enact law to administer and enforce the rent control law; (2) establish its own budget, free from the normal City budgeting process (in which the Mayor and City Manager propose a budget for consideration, revision and adoption by the Council); (3) set fees, in its discretion, to support its budget and set penalties for violations of its rules; (4) "request and receive funding... from any available source including the City for its reasonable and necessary expenses"; (5) hire and fire its own staff and consultants; (6) file or intervene in court actions; (7) retain its own counsel. See Measure H at § 1811(e), (f), (l) & (n) (Rec. 43-46). In sum, Measure H

¹ See Cal. Stats. 1968, Res. Ch. 167, pp. 3223-3264, available online at https://clerk.assembly.ca.gov/sites/clerk.assembly.ca.gov/files/archive/Statutes/1968/68Vol2_C hapters.pdf#page=1499 (last visited Feb. 14, 2022).

² A true and correct copy of the pre-existing Pasadena Charter is included in the Rec. at pp. 78-125. *See also* Rec. 137 (Skinnell Decl., ¶ 6, certifying authenticity).

³ A true and correct copy of the full text of Measure H is included in the Rec. at pp. 19-61. *See also* Rec. 136 (Skinnell Decl., ¶ 3, certifying authenticity).

 effectively sets up a new, independent "branch" of municipal government in Pasadena.

The U.S. and California Constitutions, state statutes, and judicial decisions all dictate that Measure H is improper and invalid for the following reasons:

- (1) Due to the breadth of its changes to Pasadena's basic governmental structure, Measure H proposes an unlawful *revision* to the Pasadena City Charter, which may not be enacted by voter-circulated initiative, rather than a lawful *amendment*, which may be enacted by voter initiative;
- (2) Measure H guarantees that a supermajority of Rental Housing Board members, who are then also given preferential voting status, be tenants who do not hold—and whose extended family members do not hold—a "material interest in rental properties" in Los Angeles County, in violation of the California and United States Constitutions; and
- (3) Various provisions of Measure H conflict with, and are preempted by, controlling state law, including the Costa-Hawkins Rental Housing Act, Civ. Code § 1954.50 et seq. ("Costa-Hawkins"); the Ellis Act, Govt. Code § 7060 et seq.; the State's unlawful detainer statutes, Code Civ. Proc. § 1159 et seq.; and various other state law provisions governing rental housing.

Petitioners do not suggest that rent control boards are *per se* impermissible; that other cities' rent control boards are illegal; or even that the voters cannot approve a ballot measure creating such a board, provided the revision is submitted to them by the Council or by a charter commission as provided by the Constitution and state law. But Measure H runs afoul of the requirements of the Constitution and state law in the key respects outlined above and is therefore void. A writ of mandate should therefore issue, declaring Measure H void and unenforceable.

II. <u>FACTUAL BACKGROUND</u>.

On November 8, 2022, the voters of Pasadena narrowly approved Measure H, which, among other things, adopts rent control provisions, "just cause" eviction protections, a tenant buyout program, a rental registry, and creates an 11-member

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MOTION FOR JUDGMENT ON THE WRIT & MEMORANDUM OF POINTS & AUTHORITIES IN SUPPORT THEREOF

appointed Rental Housing Board ("Rent Board") with broad powers to regulate on these matters, wholly independent of the City Council, City Manager, City Attorney and the rest of the City administration. ⁴ The election results were certified by the City Council on December 12, 2022. ⁵ This action was filed on December 16, 2022, and the measure was certified by the Secretary of State on or about December 19. ⁶

Measure H was proposed via voter-circulated initiative petition pursuant to California Elections Code § 9255 *et seq.* (Rec. 5 [Pet., ¶ 14]; Rec. 147 & 161 [Answers].)

Each of the individual Petitioners are residents and registered voters in Pasadena who voted in the November 2022 election, and all have paid sales and property taxes within Pasadena in the past year. (Rec. 126-41.) Petitioners Dodge, Gibbons, Morgan, and Werrin have interests in rental properties within the City of Pasadena that would be subject to Measure H's provisions. (Rec. 126-32, 141.) All five of the individual Petitioners would be interested in serving on the Rent Board (*id.*; Rec. 133-34), but all have interests in rental properties in Los Angeles County that would bar them from serving as "district" representatives on the Rent Board, who are guaranteed a supermajority and who are given preferential status. (*Id.*; see also Rec. 25-26, 42-43 [Measure H at § 1811(a) & § 1803(i) & (g)].) Petitioner California Apartment Association is the largest statewide rental housing trade association in the country, representing more than 50,000 rental property owners and operators who are responsible for nearly two million rental housing units throughout California. It has many members in Pasadena who are subject to Measure H. (Rec. [Bannon Decl.].)⁷

III. STANDARD OF REVIEW.

When a writ of mandate presents only questions of law, the Court may determine

⁴ Rec. 19-61 (Measure H text), Rec. 62-66 (resolution calling election), Rec. 67-68 (ballot label), Rec. 69-77 (election results) and Rec. 136-37 (Skinnell Decl., ¶¶ 3-5, re authenticity).

⁵ Rec. 69-77, 137.

⁶ Rec. 137 (Skinnell Decl., ¶ 7).

⁷ In their answers, neither Respondents nor Intervenors challenge Petitioners' standing to bring this action, so Petitioners do not address that issue at length here but instead incorporate their briefing on this issue from the January 5 application for temporary restraining order.

the matter upon a noticed motion. Code. Civ. Proc. § 1094. That is the case here. See Mission Springs Water Dist. v. Verjil, 218 Cal. App. 4th 892, 908 & 910 (2013) (whether initiative is an amendment or a revision is a question of law); Socialist Party v. Uhl, 155 Cal. 776, 789 (1909) (application of prohibition on property qualifications in voting and office-holding decided as a matter of law on petition for writ of mandate); Tri Cty. Apartment Ass'n v. City of Mountain View, 196 Cal. App. 3d 1283, 1287 (1987) (whether state law preempts local enactment is a question of law).

IV. THE INITIATIVE POWER CAN ONLY BE USED TO "AMEND" CITY CHARTERS, NOT "REVISE" THEM.

California Constitution article XI, § 3(b), permits a city's voters to propose an amendment to the city charter, but provides that only the city council or a charter commission can propose a revision to the city charter: "[T]he governing body or charter commission of a county or city may propose a charter or revision. Amendment or repeal may be proposed by initiative or by the governing body." See also Elec. Code § 9255(c)(1) (same); Rossi v. Brown, 9 Cal. 4th 688, 698 (1995) (state law controls process of altering city charters). The California Supreme Court has explained the reason for this dichotomy (which also applies to proposals to alter the State's constitution as well): "the revision provision is based on the principle that 'comprehensive changes' to the Constitution require more formality, discussion and deliberation than is available through the initiative process." Legislature v. Eu, 54 Cal. 3d 492, 506 (1991). That same principle is equally applicable to a city charter, which is often referred to as the city's "constitution." See Woo v. Superior Court, 83 Cal. App. 4th 967, 974 (2000).

Whether a given proposal constitutes a "revision" (as opposed to an amendment) can be measured either quantitatively—by its length and/or the number of sections it affects—or qualitatively—by the degree of impact on the "nature of our basic governmental plan," regardless of length. Legislature v. Eu, 54 Cal. 3d at 506 (quoting Amador Valley Jt. Union High Sch. Dist. v. State Bd. of Equalization, 22 Cal. 3d 208, 223 (1978)). Substantial changes to either may constitute a revision. Raven v.

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Quantitative Revision: Measure H Nearly Doubles the Length of Α. the Existing Charter.

Quantitatively, Measure H adds 42 pages to the Pasadena Charter, which was previously only 47 pages, thereby almost doubling the length. Measure H consists of 18,362 words, compared to the pre-existing 24,213 words, increasing the total word count by approximately 75%. It adds 24 new sections, consisting of hundreds of new subsections; the existing charter consists of approximately 166 sections, meaning Measure H increases the total number of sections by about 15%. Compare Rec. 19-61 (Measure H) with Rec. 78-125 (existing charter).

On this score, McFadden v. Jordan, 32 Cal. 2d 330 (1948), is instructive. In that case, a proposed measure sought to add a new article to the Constitution "to consist of 12 separate sections (actually in the nature of separate articles) divided into some 208 subsections (actually in the nature of sections) set forth in more than 21,000 words." 32 Cal. 2d at 334. In comparison, the Constitution at that time "contain[ed] 25 articles divided into some 347 sections expressed in approximately 55,000 words." Id. In other words, the proposal in that case only increased the word count by about 38% (compared to 75%) and Measure H's increase of 15% in the number of sections exceeds that at issue in McFadden (12 / 347 = 3.5%). The McFadden court found the proposed change to constitute an invalid constitutional revision, and by essentially any quantitative measure the changes wrought by Measure H are more quantitatively substantial.

В. Qualitative Revisions: Altering the Basic Structure of Pasadena City Government.

Perhaps even more important are the qualitative impacts. Measure H also fundamentally alters the basic structure of the City's government in a variety of ways.

> 1. Measure H confers sweeping powers on the Rent Board that usurp essential legislative and executive functions from the City Council, Mayor, and City Manager.

First, it creates a new, unelected body that is "an integral part of the government

of the City," that that "shall exercise its powers and duties under [Measure H] independent from the City Council, City Manager, and City Attorney, except by request of the Rental Board." Measure H § 1811(m). And it vests that Board with exclusive powers over one of the most fundamental policy issues in California—housing—which would otherwise be the exclusive purview of the City Council exercising its legislative powers and the City Manager exercising the City's executive function.⁸

Not only is the Board vested with the authority to, in relevant part, set rents, provide for adjustment of rental rates, adjudicate petitions seeking relief from rates, and hold quasi-judicial hearings, Measure H also empowers the Board to: (1) enact law to administer and enforce the rent control law; (2) establish its own budget, free from the normal City budgeting process, in which the Mayor and City Manager propose a budget for consideration, revision and adoption by the Council; 9 (3) set fees, in its discretion, to support its budget and set penalties for violations of its rules; (4) "request and receive funding... from any available source including the City for its reasonable and necessary expenses"; (5) hire and fire its own staff and consultants; (6) file or intervene in court actions; and (7) retain its own counsel. § 1811(e), (f), (l) & (n).

Here again, McFadden is instructive. In that case, one of the most significant elements of the proposal that the Court held to be an impermissible revision was the creation of a state "pension commission" with comprehensive governmental powers to

8 Compare, e.g., Pasadena City Charter §§ 408 (vesting powers of the City in the City Council

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⁹ See Pasadena City Charter §§ 901-913.

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be exercised by five commissioners. The Court held that "[t]he delegation of far reaching and mixed powers to the commission, largely, if not almost entirely in effect, unchecked, places such commission substantially beyond the system of checks and balances which heretofore has characterized our governmental plan." McFadden, 32 Cal. 2d at 348. Likewise, here, the Rent Board operates entirely "independent from" the rest of Pasadena municipal government, see § 1811(m), with "far reaching and mixed powers" that are "largely, if not almost entirely in effect, unchecked."

> 2. Measure Η interferes with the Council's essential governmental functions regarding budgeting and fiscal planning.

For evidence that the Rent Board is given powers that are largely unchecked, one need look no further than Measure H's fiscal provisions. The Board is given unfettered power to set its own expenditures and raise its own revenues. See Measure H at § 1811(e)(10), (*l*) & (n).

Indeed, it is even given the power to demand funds from the General Fund and has no obligation to restore them. Section 1811(l)(2) provides that 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." (Emphasis added.) These initial start-up funds have been estimated at approximately \$6 million dollars (Rec. 173), and the City Manager and City Attorney have advised the Council that while it "may" seek reimbursement of those outlays, the Rent Board is under no obligation to agree to return that expenditure:

Mayor (Victor Gordo): Well, in terms of the budget, the anticipated cost for standing this up and then operating the rental board?

City Manager (Miguel Marquez): Well, my understanding is that when it went through the process, there was an impartial analysis. I wasn't here at the time, but I understand it was, and I can't remember the exact number, somewhere between five and six million dollars.

Mayor: And will staff come back with a recommendation to allocate and appropriate those dollars? And where do we anticipate the dollars coming from?

City Manager: Yes, we will come back with that. Recommend that appropriation that's required by the charter, and it is the charter amendment that's under law.

Mayor: Okay.

City Manager: The Charter Amendment does say that the city may seek reimbursement, but it's not something that is guaranteed within the Charter Amendment itself. And we'll have to give some thought to exactly where the dollars come from, in light of the upcoming more broad budget process that we are starting to think about for this next fiscal year.

Mayor: I do think we should give some thought to where the 5.2 million or so dollars come from, and whether the... so the initiative says, the city may seek reimbursement, but ultimately it's not in the city's hands. It's in the board's hands to make the determination whether or not the city receives reimbursement?

City Manager: That's my understanding, yes.

Mayor: Okay, Madam City Attorney?

City Attorney (Michele Beal Bagneris): **Yes.** And remember we're just talking in this agenda item, about the process for... I'm sorry, for selecting the board members. We shouldn't deviate too much from that.

Mayor: Okay, fine. I just think that part of the budget process staff should factoring that issue, and frankly, the community should start factoring that issue as well.

(Rec. 172-74 [emphasis added].)

All of the changes discussed above are substantial usurpations of the Council's core legislative and City Manager's core executive powers, but the fact that the Board is given independent authority to raise its own revenues, appropriate its own expenditures, and even demand money from the General Fund is particularly significant, because "neither the initiative nor the referendum may be used in a manner which interferes with a local legislative body's responsibility for fiscal management." Carlson v. Cory, 139 Cal. App. 3d 724, 731 (1983). Currently, the City's budget is proposed by the City Manager and Mayor and approved by the Council. See Charter §§ 604(H), 901-908. Measure H sets up an independent, competing center of fiscal power.

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This is no small matter, because all California local governments, including the City of Pasadena, are subject to a constitutional spending limit, known as the "Gann Limit." CAL. CONST. art. XIIIB. The Gann Limit operates to control government spending by prohibiting State and local governments from spending certain "proceeds of taxes" (i.e.., revenues received) beyond their annually adjusted spending limit. CAL. CONST. art. XIIIB, §§ 1 & 8(h). Excess revenue (the amount that exceeds the spending limit), must be refunded to taxpayers in the form of tax credits and fee reductions. *Id.* at § 2(a)(2), (b). Here, the Rent Board has the power to unilaterally set revenue for its operations. Thus, it would be possible for the Board to unilaterally increase overall City revenue by an amount that would trigger automatic tax refunds.

Of course, revenue is only half of the equation relative to the Gann Limit. Here, the independent Rent Board will also have complete authority to determine its own expenditures. It has complete authority to hire its own staff, establish their compensation, maintain offices and equipment, and enforce its actions, at whatever cost the Board deems appropriate. Those expenditures will also become part of the Gann Limit formula, thereby affecting the City in a manner over which it has no control.

The Gann Limit is more easily managed when the Council can control both sides of the budget equation—revenues and expenditures. Measure H deprives the Council of that power. It thus threatens essential government functions and exceeds the power of initiative. See Carlson, 139 Cal. App. 3d at 731; Citizens for Jobs & the Econ. v. Cty. of Orange, 94 Cal. App. 4th 1311, 1327-31 (2002) (striking down initiative as beyond the power of the electorate because it impermissibly "interfere[d] with the essential government functions of *fiscal planning* and land use planning" (emphasis added)); Totten v. Bd. of Supervisors, 139 Cal. App. 4th 826, 840 (2006) (initiative exceeded the powers of the electorate because it "would seriously impair the board of supervisors' essential governmental function of managing the county's financial affairs").

3. Measure H authorizes greater compensation for Rent Board members, by far, than for the Mayor, Council, or any other appointed Board.

Another significant, related change: members of the Rent Board will be entitled to compensation at a rate (2.5 x the minimum wage, up to 1,040 hours per year) that far outstrips any other appointed body in the City and could even result in compensation (up to \$48,981 per year) that is double the maximum permitted to a member of the Council (maximum of \$20,911 per year) and one-third higher than the maximum permitted the Mayor (\$31,365 per year). (Rec. 175-87.) The only city appointed body that was previously compensated at all was the Planning Commission, and its members only receive a \$50/meeting stipend. (See Pas. Muni. Code § 2.105.125.)

4. Measure H alters the essential powers of recall and removal and allows a small minority of residents to remove Board members without a vote of the people.

With respect to every other appointed board or commission, the Charter permits the City Council to remove members at will, see Charter § 410. With respect to the Rent Board, however, Measure H deprives the City Council of that authority (and, indeed, it appears to prevent the Council from removing Board members at all, even for cause). Measure H also expands the right of recall, which pursuant to state and City law has heretofore been available only for the removal of elected officials, to appointed Rental Housing Board members. § 1811(d). And it further alters that power by providing that the successful circulation of a recall petition by a small minority of the Board members' constituency (10% for a district member; 5% for an at-large member) is alone sufficient to remove the member, and it doesn't even require a vote of the people to do it. Id.

In sum, Measure H would effectively set up an independent "branch" of municipal government in Pasadena usurping substantial legislative, quasi-judicial and budgetary powers from the Mayor and City Council and executive powers from the City Manager. Thus, the Measure dramatically alters the City of Pasadena's basic government plan. Because it changes the City's "fundamental structure or the foundational powers of its branches," Measure H impermissibly seeks to revise the

City's charter. Strauss v. Horton, 46 Cal. 4th 364, 441 (2009).

V. THE REQUIREMENTS THAT "DISTRICT" MEMBERS OF THE RENT BOARD (1) BE TENANTS AND (2) NOT HAVE ANY "MATERIAL INTEREST IN RENTAL PROPERTY" IN LOS ANGELES COUNTY VIOLATE THE UNITED STATES AND CALIFORNIA CONSTITUTIONS.

Measure H also specifies the required qualifications for members of the Rental Housing Board. Among other things, it provides that of the 11 members, at least seven—the "district" representatives, who are given highly preferential status, as discussed below—must be "Tenants" (i.e., must have a leasehold interest in a Pasadena rental property), and they must also have no other "material interest in rental property" during the three years preceding appointment or during their service. See Measure H at § 1811(a) & § 1803(i) & (aa). "Material interest in rental property" is defined very broadly, as where the applicant "or any member of their Extended Family, [10] own, manage, or have a 5% or greater ownership stake in Rental Units in the county of Los Angeles [i.e., not just in Pasadena], 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." Measure H at § 1803(i) (emphasis added).

On the other hand, there are no guaranteed slots for those who *do* have material interest in rental properties, like the five individual Petitioners herein; all eleven of the rent board members, and both alternates, could be tenants without such interests. *Id.* at § 1811(a). At most four of the members could have a 5% or greater ownership stake in rental property or manage such properties anywhere in Los Angeles County, or even have extended family members who have a 5% ownership stake or manage LA County properties, meaning that tenants are guaranteed a supermajority on the Board.

Any action of the Rent Board requires the support of at least six Board members,

¹⁰ "Extended family" is also *very* broadly defined to include even grandparents, aunts and uncles, nieces and nephews, grandchildren or cousins. *See* Measure H at § 1803(g). At its most extreme, a Pasadena resident is excluded from serving as a preferred "district" member if (for example) a grown niece manages or has a 5% ownership stake in a single-family home in Long Beach that was rented out two years ago, even if not now.

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§ 1811(i), and for there to be a quorum to take action, at least four "tenant" members must attend the meeting (see § 1811(h)). There is no requirement that any "at-large" members be present for a quorum. In sum, no vote can even take place unless at least half of the members present are tenants with no material interest in rental property.

A. Article I, § 22, of the California Constitution.

Article I, § 22, of the California Constitution provides that "[t]he right to vote or hold office may not be conditioned by a property qualification." Measure H plainly violates this proscription. By the express terms of Measure H, a mandatory qualification for holding any of the seven preferred "tenant" seats on the Rent Board is holding a specific property interest—that of a "Tenant," i.e., 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." See Measure H at §§ 1803(aa) and 1811(a). An additional qualification for holding those offices is not possessing another specific property interest—a "Material Interest in Rental Property" within Los Angeles County. § 1811(a). This plainly violates Article I, § 22.

В. Equal Protection.

"[T]he right to hold public office, either by election or appointment, is one of the valuable rights of citizenship," Carter v. Comm'n on Qualifications of Jud. Appointments, 14 Cal. 2d 179, 182 (1939), and "disqualification from office [is] a significant civil disability," Helena Rubenstein Int'l v. Younger, 71 Cal. App. 3d 406, 418 (1977). Measure H places a severe restriction on these valuable rights of Petitioners and violates the Equal Protection clauses of the California and U.S. Constitutions, by conferring a guaranteed supermajority with preferential voting rights on tenants and by placing severe restrictions on the rights of property owners to serve.

While supermajority requirements are not per se unconstitutional, when they discriminate against an "identifiable class"—specifically including those based on property ownership—they have been held to violate equal protection. See, e.g., Curtis v. Bd. of Supervisors, 7 Cal. 3d 942, 958 (1972) (statute that gave large property owners the ability to block an election on annexation violated equal protection). As the U.S. Supreme Court has held, in *Anderson v. Celebrezze*, 460 U.S. 780 (1983), "it is especially difficult for the State to justify a restriction that limits political participation by an identifiable political group whose members share a particular viewpoint, associational preference, *or economic status*." *Id.* at 793 (emphasis added). Property owners and tenants alike are affected by the Rent Board's decision-making, so there is no legitimate justification for guaranteeing one side the power to unilaterally control the Board.

Relatedly, Measure H also burdens would-be landlord members' ability to serve by forcing them to comprehensively disclose the rental property interests of not just themselves but also "extended family" members in Los Angeles County (not just Pasadena, *i.e.*, not just rental properties that will be subject to regulation by the Rent Board, but the ownership interests of their extended family anywhere in Los Angeles County) § 1811(b). Though narrowly tailored financial disclosure requirements have been upheld in the past, overly-broad disclosure requirements that are not rationally related to potential conflicts of interest are unconstitutional. *See, e.g., Carmel-by-the-Sea v. Young*, 2 Cal. 3d 259, 268-69 (1970) (striking down a statute requiring disclosure of financial interests owned by public officials and their family members). And since such ownership interests are not disqualifying for the "at-large" positions, the only reasonable conclusion is that the purpose of this requirement is to further discourage persons whose interests may deviate from tenants' from seeking to serve on the Board.

VI. STATE LAW PREEMPTS VARIOUS PROVISIONS OF MEASURE H.

California Constitution article XI, § 7, provides that a county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws." (Emphasis added.)

A. Measure H's "Relocation Assistance" Requirement Is Preempted by the Costa-Hawkins Rental Housing Act Insofar as It Applies to Tenants Who Voluntarily Vacate a Rental Unit Rather Than Pay a Rent Increase Authorized by That Act.

The Costa-Hawkins Rental Housing Act exempts certain units—primarily

single-family homes, condominiums and new construction—from local rent control. Civ. 1 2 3 5 6 7 8 9 10 11 12

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Code § 1954.52(a). As to these "exempt" units, property owners may "adjust the rent on such property at will, '[n]otwithstanding any other provision of law." DeZerega v. Meggs, 83 Cal. App. 4th 28, 41 (2000). However, Measure H seeks to impose a penalty on property owners who seek to exercise their state law rights. Section 1806(b)(C) of Measure H would require landlords subject to the Measure's "just cause" provisionswhich is almost all of them, and includes units exempt from rent control under Costa-Hawkins—to pay "relocation assistance" to tenants who vacate a unit after being notified of a rent increase of 5 percent plus the annual increase allowed under the measure's rent control provisions (75% of CPI). Furthermore, the Rent Board is authorized to lower the threshold to trigger this penalty "if it determines that the lower threshold is necessary to further the purposes of this Article." Measure H at § 1806(b)(C). In this manner, Measure H seeks to indirectly impose rent control on exempt units, by penalizing rent increases that exceed a specified amount.

This it may not do. Costa-Hawkins wholly occupies the field of municipal rent control, and thereby prohibits local jurisdictions from enacting rent control measures that conflict with its provisions. Bullard v. S.F. Rent Stabilization Bd., 106 Cal. App. 4th 488, 489 (2003). It is well-established that local governments may not frustrate the purposes of Costa-Hawkins by imposing a penalty on the exercise of rights conferred thereunder. See, e.g., id.; Palmer/Sixth Street Properties, L.P. v. City of Los Angeles, 175 Cal. App. 4th 1396 (2009) (city's affordable housing requirement preempted by Costa-Hawkins and it could not charge "in lieu" fee for failure to provide such housing).

В. Several of Measure H's Notice Provisions Are Preempted Too.

The notice provisions contained in § 1806(a)(9), 1806(a)(10), and 1803(cc) of Measure H are similarly inconsistent with, and preempted by, state law.

Sections 1806(a)(9) and 1806(a)(10) specify a six-month minimum notice requirement for the termination of a tenancy, which is significantly longer than the notice required by state law. See Civ. Code § 1946.1 & Govt. Code § 7060.4(b) (Ellis Act) (specifying notice period of 30 to 120 days, depending on circumstances, subject to limited exceptions). "[S]tate laws preempt the field of the timing of landlord-tenant transactions, S.F. Apt. Ass'n v. City & Cty. of S.F., 20 Cal. App. 5th 510, 519 (2018), and "where a statute has set the amount of notice required, the municipality may not impose further requirements of additional notice." Mobilepark W. Homeowners Ass'n v. Escondido Mobilepark W., 35 Cal. App. 4th 32, 47 (1995) (striking down notice requirement contrary to state laws governing mobilehome rent control). See also Tri County Apartment Assn. v. City of Mountain View, 196 Cal. App. 3d 1283 (1987) (city could not require 60 days' notice to increase the rent on a month-to-month tenancy when state law prescribed 30 days' notice); Channing Properties v. City of Berkeley, 11 Cal. App. 4th 88 (1992) (ordinance requiring landlords to provide six months' notice to tenants before withdrawing units from the rental market preempted by the Ellis Act).

Section 1803(cc)'s "notice to cease" requirements are also inconsistent with, and therefore preempted by, state law. Measure H defines "notice to cease" as a written notice that gives a tenant an opportunity to cure a violation of their lease—including nonpayment of rent—prior to initiating proceedings to terminate the tenancy. The Measure specifies six items that must be included in the written notice, including a cure period. *Id.* This too is inconsistent with preemptive state law. Code of Civil Procedure § 1161(2) is controlling with respect to the requirements to begin legal proceedings against a tenant for nonpayment of rent, and it provides that the process is to be initiated via a 3-day notice to pay rent or quit. Measure H layers on additional procedural requirements, which are preempted and therefore illegal and unenforceable. *See Birkenfeld v. City of Berkeley*, 17 Cal. 3d 129, 152 (1976) (Code of Civil Procedure § 1161 fully occupies the field with respect to landlord's possessory remedies).

VII. CONCLUSION.

For the foregoing reasons Petitioners are entitled to a writ of mandate declaring Measure H void and unenforceable.

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1		Resp	ectfully submitted,
$_2$	Dated: February 24, 2023		LSEN MERKSAMER
3		\mathbf{P}_{I}	ARRINELLO GROSS & LEONI LLP
$_4$		-	Christophia le ll
5		By:	Christopher E. Skinnell
6			Attorneys for Plaintiffs and Petitioners
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