



Amended Additional Documents
Distributed for the
City Council Meetings of
February 15, 2023

Item No.	Agenda Item Description	Distributor	Document
SP. 1	PUBLIC COMMENT	Erica Rede	Email to Council
SP. 1	PUBLIC COMMENT	Anne Bagasao and John Srebalus	Email to Council
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SP. 2	RECEIVE HOUSING ELEMENT PRESENTATION AND PROVIDE DIRECTION THE 5TH DRAFT HOUSING ELEMENT	Angelica Frausto-Lupo, Community Development Director	Agenda Report
SP. 2	RECEIVE HOUSING ELEMENT PRESENTATION AND PROVIDE DIRECTION THE 5TH DRAFT HOUSING ELEMENT	Angelica Frausto-Lupo, Community Development Director/Alison Becker, AICP, Deputy Community Development Director⁴	Memo for Clarification
02.	PUBLIC COMMENT - GENERAL	William Cullinane	Email to Council

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02.	PUBLIC COMMENT – GENERAL	Yvonne LaRose	Email to Council
11.	PRESENTATION OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2022	Hsiulee Tran, Deputy Finance Director/Controller and Albert Trinh, Finance Manager	Agenda Report Attachment No. 1
11.	PRESENTATION OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2022	Hsiulee Tran, Deputy Finance Director/Controller and Albert Trinh, Finance Manager	Agenda Report Attachment No. 2
11.	PRESENTATION OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2022	Hsiulee Tran, Deputy Finance Director/Controller and Albert Trinh, Finance Manager	Agenda Report Attachment No. 3
12.	TERMINATION EMERGENCY ORDER EFFECTIVE MARCH 1, 2023; REMOTE TELECONFERENCING MEETINGS OF THE LEGISLATIVE BODIES; CONTINUATION OF PARTICIPATION BY THE PUBLIC THROUGH REMOTE ACCESS	Tamara Binns, Assistant to the City Manager/Andrew L. Jared, City Attorney	Agenda Report
13.	FINANCE DEPARTMENT CURRENT STATUS UPDATE AND ORGANIZATIONAL ASSESSMENT	Ed Elsner	Email to Council

**Public Comment
February 15, 2023
Special Joint
Meeting Item No. 1**

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From: [Erica Rede](#)
To: [City Council Public Comment](#)
Subject: Public Comment Special Joint Session
Date: Tuesday, February 14, 2023 8:50:33 AM

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Public Comment
SPECIAL JOINT MEETING OF THE CITY COUNCIL
Wednesday, February 15, 2023
Agenda Item #2

Dear Mayor Primuth and City Council:

I am a renter in South Pasadena. I have lived here 7 1/2 years. I settled my family in South Pasadena because my son has special needs & the schools here worked perfect for him.

I understand that South Pasadena has not enacted many meaningful tenant protections that will support the maintenance of existing affordable housing. The Council is now being asked to consider taking the bold steps to support their community of renters by including tenant protections including rent stabilization in the Housing Element.

Like many South Pasadenans who rent their homes, I never know how much more my rent will increase, and with historic levels of inflation, what year will be the year that my increase will force me out of the community.

I love my community, my neighbors, our schools, our library and all that South Pasadena has to offer. I am asking the Council to give families like mine a fighting chance to stay in our homes by including an ordinance for rent stabilization in the fifth draft of the Housing Element.

Thank you!

Erica Rede



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From: [Elizabeth Anne Bagasao](#)
To: [City Council Public Comment](#)
Cc: [John Srebalus](#)
Subject: Public Comment Special Joint Session February 15
Date: Tuesday, February 14, 2023 3:37:25 PM
Attachments: [Public Comment 2-15-23 Agenda #2.pdf](#)

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear City Clerk,

Attached please find public comment for Special Joint Session on February 15 Agenda Item No. 2 from South Pasadena Tenants Union.

Thank you!

Best,

Anne Bagasao & John Srebalus



February 14, 2023

Dear Mayor Primuth and City Councilmembers:

According to the most recent census, South Pasadena residents are nearly 53% renters. These households account for most racial and economic diversity in South Pasadena. With inflation at its highest and housing crisis of epic proportions, more than two-thirds of renter-households in our region are rent-burdened, with 64% spending more than 30% of their household income for housing.

The previous drafts of the Housing Element set conservation of existing housing stock as a prominent goal and contained some general provisions aimed at protecting renters. But monitoring affordable units, offering technical assistance to landlords, and vague commitments to vouchers will not be enough to prevent dislocation and erosion of existing below-market rental units. The City cannot accomplish a goal of preventing tenant displacement without enacting tenant protections now. Currently, South Pasadena relies almost entirely on Statewide protections set in AB1482 those do not go far enough to protect our community.

South Pasadena Tenants Unions wants the Housing Element of South Pasadena to contain commitments of the following tenant protections:

Rent Stabilization: The landlords and homeowners have “rent control.” When they buy the apartments, the mortgage payment they pay is set for 30 years. It does not change even if inflation happens. Renters are demanding, not even the same stability, just something where their rent remains close to inflation, and the right to stay in their home if they pay their rent. The only way maintain and affirm fair and equitable housing in our city is to protect and preserve our vibrant and diverse community of renters. SPTU wants to see a commitment of a rent stabilization ordinance, as introduced by City staff in their most recent set of recommendations, within six months of certification of the Housing Element and with a firm commitment from the Council that they will not attempt to modify or adjust the program once adopted.

Such an ordinance would have a floor of 3% and a ceiling of 8% and would apply to all buildings allowed by Costa Hawkins meaning that the rent stabilization ordinance would exclude buildings that were constructed after 1995. If more buildings become eligible due to any future

repeal or modification of CH, rent stabilization would apply at year 20 after certificate of occupancy.

Relocation Fees: Currently South Pasadena defers to AB1482 policy on relocation fees. What are relocation fees? These are fees that the landlord is required to pay out to tenants who they are evicting for no cause. The state law, which South Pasadena defers to, requires that the landlord remits payment that is equivalent to one month rent or; landlord can forgo the last 30 days rent from the tenant. The total of one months rent, which might be anywhere from \$1800-\$2500 for a one bedroom in South Pasadena doesn't even cover moving costs. We want these fees to be increased to mirror that of Los Angeles and Pasadena in order to give the tenants a fighting chance to stay in the community that we all love.

Relocation Fees for No Cause Evictions:

- Landlords would be required to pay households in good standing who are at or below 140% of the median income for Los Angeles County a relocation allowance if the tenant is required to leave due to demolition, (forgoing right of return), government order to vacate or any other no cause eviction.
- The relocation allowance is equal to two (2) months fair market rent as established by the U.S. Department of Housing and Urban Development (HUD). In addition to the relocation allowance, a landlord must also pay the tenant a moving expense allowance in the amount of \$1,120 for adult households or \$3,364 for households with dependents, disabled or senior members.

Right of Return:

We propose the following:

When the demolition or substantial renovation permits are obtained:

- The developer or landlord finds three similarly sized apartments in South Pasadena (or the tenant renter can find a different apartment within South Pasadena) that is within 30% of the rent they are current rental rate being charged at the unit to be vacated .
- Once the renter makes a choice of the apartment for relocation, developer pays \$2,000 for moving costs.
- The renter is responsible for payment of the rent at the new location fixed at the rent one year before the application of and for the duration of the construction. The developer pays the difference. For example: Tenant's rent at property subject to demolition is \$2,100. A new unit in South Pasadena is identified for displaced tenant occupancy at \$2,200 a month rental rate. Tenant continues to pay a fixed rate of \$2,100 and developer pays \$100 per month.

- At completion of redevelopment, tenant is allowed to return to the new building in an apartment 5% or larger than the previous apartment at the one year before rent.
- For 20 years, the rent for returning tenant can only be raised at 80% CPI. After 20, years the apartment returns to market rent. Note: This may not necessarily be the new affordable units.

South Pasadena Tenants Union looks forward to a fifth draft of the Housing Element that includes the programs presented by staff in response to HCD comments on AFFH. We firmly assert that a City that is committed to California's vision for fair and accessible housing and more of it, will make every good faith effort to preserve and protect the homes of the existing 52% of South Pasadenans. Without these protections written into our Housing Element, adding 700 units of new affordable housing becomes a zero-sum game as our city continues to bleed families, seniors, disabled individuals and students who continue to be priced out of the local rental market. Ten percent rental increases, at a time when inflation is at an historic high, is untenable even for middle income earners.

“California accounts for about a third of the nation's homeless people, and among this population, seniors are estimated to be the fastest-growing group. One key indicator is the state's tally of people accessing homelessness services. From 2017 to 2021, California's overall senior population grew by 7% but the number of people 55 and over who sought homelessness services increased 84% — more than any other age group — according to the state's Homeless Data Integration System. “

South Pasadena Tenants Union is eager to express support of such a Housing Element to the State of California as we look forward to a housing plan that is forward thinking, supports the needs of our State and Region and that is in alignment with the vision of our Governor and State Legislature.

We also know that based on the most recent census, the population of Gen-Z, Gen Y and younger Gen X are growing at a consistent rate in our city. Unlike those over 65, these generations overwhelming support the building of more housing in our LA communities. According to a post-election study by LMU, 79% of 30-44 year olds and 71% of 45-64 year olds support new apartments near their homes, while only 64% of those over 65 were in favor of new multi-unit housing. South Pasadena Tenants Union knows that despite the long-time paradigm of downsizing and protectionist policy making in the South Pasadena, that protecting, preserving and providing housing for lower and middle income families is a value with which 58.7% of South Pasadena voters and residents align.

In a one page report from PoliticsofHousing.com we can see that defenders of single family home neighborhoods (like United Neighbors and other NIMBY groups), “Compared with voters, commenters were disproportionately white, male, older, and homeowners” We know this to

be true of South Pasadena as evidenced by public comment and community forum participation. This demographic is not a representative base of South Pasadena residents and therefore we expect the City Council to consider the voices of the other 52% in their 2023 housing policy making.

As we have said before, South Pasadena must stop looking to the past as a road map to our future. We must stop looking backward, we aren't going that way.

Sincerely,

Anne Bagasao & John Srebalus
Founders, South Pasadena Tenants Union

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From: [Christiana Miller](#)
To: [City Council Public Comment](#)
Subject: Public Comment Special Joint Session
Date: Tuesday, February 14, 2023 3:39:55 PM

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Public Comment
SPECIAL JOINT MEETING OF THE CITY COUNCIL
Wednesday, February 15, 2023
Agenda Item #2

Dear Mayor Primuth and City Council:

I am a renter in South Pasadena. I have lived here for six years. I settled my family in South Pasadena because I wanted my child to be part of a smaller community where safety and education were prized.

I understand that South Pasadena has not enacted many meaningful tenant protections that will support the maintenance of existing affordable housing. The Council is now being asked to consider taking the bold steps to support their community of renters by including tenant protections, including rent stabilization, in the Housing Element.

Like many South Pasadenans who rent their homes, I never know how much more my rent will increase, and with historic levels of inflation, what year will be the year that rent increase will force my family out of the community.

I love my community, my neighbors, our schools, our library and all that South Pasadena has to offer. I am asking the Council to give families like mine a fighting chance to stay in our homes by including an ordinance for rent stabilization in the fifth draft of the Housing Element.

Thank you!

Christiana Miller



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From: [Elizabeth Anne Bagasao](#)
To: [City Council Public Comment](#)
Cc: [Rebecca D. Bergman](#)
Subject: PUBLIC COMMENT SPECIAL JOINT SESSION - FEBRUARY 15
Date: Wednesday, February 15, 2023 10:02:06 AM
Attachments: [Public Comment Email Rent Control \(1\).pdf](#)

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear City Clerk:

Please accept this public comment on behalf of resident, Rebecca Bergman.

Thank you!

Best,

Anne Bagasao

Public Comment

SPECIAL JOINT MEETING OF THE CITY COUNCIL

Wednesday, February 15, 2023

Agenda Item #2

Dear Mayor Primuth and City Council:

I am a renter in South Pasadena. I have lived here 2.5 years. I settled my family in South Pasadena because I love the neighborhood.

I understand that South Pasadena has not enacted many meaningful tenant protections that will support the maintenance of existing affordable housing. The Council is now being asked to consider taking the bold steps to support their community of renters by including tenant protections including rent stabilization in the Housing Element.

Like many South Pasadenans who rent their homes, I never know how much more my rent will increase, and with historic levels of inflation, what year will be the year that my increase will force me out of the community.

I love my community, my neighbors, our schools, our library and all that South Pasadena has to offer. I am asking the Council to give families like mine a fighting chance to stay in our homes by including an ordinance for rent stabilization in the fifth draft of the Housing Element.

Thank you!

Name: Rebecca Bergman

Address: [REDACTED]

From: [Care First South Pasadena](#)
To: [City Council Public Comment](#)
Subject: Joint Meeting Comment, Agenda Item 2, Housing Element
Date: Wednesday, February 15, 2023 11:18:48 AM
Attachments: [Care First 5th Draft Housing Element Comment 2-15-23.pdf](#)

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear City Clerk,

Please find attached our comment for tonight's meeting.

Thanks,

Care First South Pasadena



February 15, 2023

Submitted electronically via ccpubliccomment@southpasadenaca.gov

Re: Special Joint Meeting of the City Council and Planning Commission, February 15, 2023

Comment, Agenda Item No. 2, Receive Housing Element Presentation and Provide Direction on 5th Draft

Dear Mayor, City Councilmembers, Planning Commissioners:

Care First South Pasadena is pleased to submit the following comments on the fifth draft of the City of South Pasadena's Housing Element. At this critical juncture where the city stands to lose local control over the development of the city, we strongly recommend the city to adopt the following policies to affirmatively further fair housing, encourage the development of more affordable housing in an equitable manner, and preserve existing affordable housing.

Care First continues to demand:

- A commitment to use the 20 vacant Caltrans house sites, which the City will purchase in the coming months, to develop *on site* a blend of duplexes, triplexes, quads, and denser multi-unit buildings for affordable ownership and rental opportunities (A number of the vacant houses are 0.25-0.50 acres and could accommodate redevelopment with even more housing units.);
- A pilot affordable ADU program, like the Backyard Homes project in Northeast Los Angeles (<https://www.mas.la/affordable-adus>); and
- Recruitment of 100% affordable developments through non-profit low-income housing, developers for at least four (4) clearly identified and viable locations for 100% affordable developments, plus spelling out specific financial and regulatory incentives the city could offer such developers.

The City should also adopt the following policies as ordinances with accompanying budget allocations as needed to implement the programs, within six (6) months from the date the Housing Element is adopted:

- **Rent stabilization** with an 8 percent annual cap for all apartment complexes that have ten or more units;
- Provide tenants the **right of return** in the event they must vacate their rental units to accommodate substantial renovation or redevelopment; and
- Increase **relocation assistance** for tenants subject to no-cause evictions.
 - Landlords would be required to pay households at or below 140% of median income for Los Angeles County a relocation allowance equal to two (2) months fair market rent as established by the U.S. Department of Housing and Urban Development (HUD).

- In addition to the relocation allowance, a landlord must also pay the tenant a moving expense allowance in the amount of \$1,120 for adult households or \$3,364 for households with dependents, disabled or senior members.
- Offer **financial assistance** to low- and moderate-income tenants and prospective tenants, including Section 8 voucher holders, for security deposits and rent, by committing to evaluate the city's available funds during each budget cycle and to dedicate a reasonable amount to achieve this goal; Fund improvements at below-market rental units in exchange for landlords' covenants not to evict existing tenants or raise rents excessively.

We incorporate the details of these tenant protections from the South Pasadena Tenants Union comment, dated February 14, 2023.

Additionally, to further the goals of fair housing, the City should"

- Eliminate historic preservation policies and practices—including in ordinances, the Historic Preservation Element, and duties entrusted to the Cultural Heritage Commission—that impede development of affordable housing in the city, especially those impacting the city's transit corridors and Caltrans property sites;
- Review all properties that have been nominated for or placed on the city's Inventory of Historic Resources and/or designated as historic under the city's historic preservation policies;
- Codify the city's Sundown Town Resolution by adopting an ordinance that prohibits the use of historic preservation policies and practices that would cause discrimination or disproportionate economic harm on the basis of race, ancestry, national origin, color, religion, sex, or sexual orientation;
- Upzone currently zoned R-1 (single-family only) to R-4 (allowing for fourplexes) in the city's transit corridors, as identified in previous presentations delivered by the city this month;
- Implement Senate Bill 9 to encourage lot subdivisions and higher density in single-family neighborhoods rather than impede its use.

Best regards,

Care First South Pasadena

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From: [Josh Albrektson](#)
To: [City Council Public Comment](#); [housingelement](#); [Jon Primuth](#); [Michael Cacciotti](#); [Jack Donovan](#); [Janet Braun](#); [Evelyn Zneimer](#); [Alison Becker](#); [Angelica Frausto-Lupo](#); [Grant Henninger](#); [Finney, Connor@HCD](#)
Subject: Public comment on SoPas 5th Housing Element
Date: Wednesday, February 15, 2023 1:12:46 PM

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I'm sorry I missed the deadline for the City Council Meeting. I meant to write this last night but got really sick.

I have also included this as a comment to the Housing Element e-mail address, so this would actually be a part of the official Housing Element. Staff, so not feel you need to respond to this.

I believe that South Pasadena is well on it's way to getting a compliant Housing Element and I believe the steps outlined in the agenda packet for tonight's meeting will get South Pasadena there. I will also do what I can to make sure that South Pasadena receives a compliant Housing Element certification from HCD.

There are just a few things that can trip SoPas up. I believe that the zoning requested by Mr Anderson of Pavillions and Mr Tang of Site 3 should be given to them. HCD has rejected housing elements when property owners have asked for zoning and it has not been included (Laguna Beach is an example of this).

I also think you need to to within 1/2 mile of a major transit stop and along high quality corridors. This puts you in line with the total % that San Marino is allowing in their housing element.

I believe the methods to increase zoning and have a buffer are all good ideas that will be accepted by HCD. I would like to add one more to consider.

You need substantial evidence for these sites that the current use could end within the planning period. The legal term of substantial evidence is that a normal person could be given all the evidence and conclude that something is likely to be true.

The gold standard is having the owner say they will develop, like you did for Mr Anderson at the zoning her requested. But you do not need to have that high a level for most sites.

I have proposed a "Grocery store" overlay zone. If you give Vons, Ralphs, Bristol Farms, and Rite Aid the zoning specifically asked for by Mr Anderson, I believe that it is reasonable to assume that there is a 25% chance each site could develop into housing. That means you can claim 25% the maximal density of these sites with 140 DU/Acre.

Your settlement with Ca for Homeownership says that you cannot use Vons, Ralphs, or Pavilions. I have talked to Matt Gelfand and he is totally willing to amend the settlement so that you can use these sites at 25% the maximal zoning if given the zoning Mr Anderson specifically requested.

The Paragraphs above, coming from me, give you substantial evidence for these sites at 25%.

And I will also write a extensive letter to HCD demanding these sites be approved at 25% maximal density (if you choose).

Considering I am extensively quoted in the following two articles the fact I say is is compliant should be more than enough cover legally and with HCD.

<https://www.sfchronicle.com/opinion/editorials/article/south-pasadena-california-housing-17772426.php>

<https://www.ocregister.com/2022/05/08/southern-california-housing-plans-contain-fake-sites-lack-analysis-critics-say/>

I also do think that the City should make an effort to be sure historic sites are kept out of the Downtown Rezone. There is laws on the books and there will be more laws coming that if a site is included as a possible low income site in a Housing Element, than the property owner has pretty good standing to develop the site no matter what the city says. I would have it is Fair Oaks Pharmacy or the Rialto Theater was torn down because it was included in the site list.

I am thrilled that South Pasadena has started to follow the law and I actually think this could be a model housing element, especially with the tenant protections.

--

Josh Albrektson MD
Neuroradiologist by night
Crime fighter by day



City Council Agenda Report

ITEM NO. _____

DATE: February 15, 2023

FROM: Arminé Chaparyan, City Manager *TB for AC*

PREPARED BY: Angelica Frausto-Lupo, Community Development Director
Alison Becker, AICP, Deputy Community Development Director

SUBJECT: **Receive Housing Element Presentation and Provide Direction
the 5th Draft Housing Element**

Recommendation

It is recommended that the City Council:

1. Receive a staff presentation on proposed responses to HCD comments regarding the 4th Draft Housing Element;
2. Direct staff to develop a Missing Middle Housing program to address the Affirmatively Furthering Fair Housing comment by using one of the following SB10 options:
 - a. Implement Missing Middle Housing within ½ mile of major transit stop
 - b. Implement Missing Middle Housing in high quality transit corridors;
 - c. Implement Missing Middle Housing citywide except for high fire hazard areas;
3. Direct staff to achieve the necessary density for the Housing Element through the following rezoning strategies:
 - a. Increase zoning capacity in commercial and residential zones along Huntington Drive
 - b. Increase density on Fair Oaks Avenue within the proposed Downtown Specific Plan;
 - c. Increase residential zoning capacity in the Ostrich Farm area, including along Monterey Road; and
 - d. Restore the allowable density within the residential medium density (RM) from a range of 6.1-14 units per acre to 6.1-30 units per acre and increase within the residential high density (RH) from 14.1-24 units per acre to 30.1- 45 units per acre.
4. Direct staff to include remedies to specific process and procedural impediments to housing production under Goal 3.0 -- Provide opportunities to increase housing production
5. Approve inclusion of Goal #6 in the Housing Element regarding potential tenant protection programs.

Background

On January 27, 2023, the California Department of Housing and Community Development (HCD) provided a response letter with comments on the 4th Draft Housing Element. The letter and all documents related to the City's 6th Cycle Housing Element development, including all drafts and HCD letters received, are posted on the Community Development Department's project web page (<https://www.southpasadenaca.gov/government/departments/planning-and-building/housing-element-update-2021-2029>).

The 4th Draft Housing Element addressed numerous comments received from HCD as part of the department's review of the 3rd Draft Housing Element. The comments that were fully addressed, and which HCD did not have further comments on include:

- **Suitability of Nonvacant Sites:** Revisions to the Housing Element in the 4th Draft for Site 5, Liquor Store Site, and Site 9, Meridian Site, addressed all of HCD's concerns regarding the adequacy of these sites for inclusion in the Housing Element.
- **City-Owned Sites:** The revised Housing Element expanded the discussion regarding Site 13, the City-Owned parking lot. This expanded discussion addressed all of HCD's comments regarding Site 13.
- **Environmental Constraints:** The 4th Draft Housing Element included a discussion of environmental constraints for all of the identified sites to address the City's RHNA requirements. This additional information addressed HCD's comments regarding environmental constraints.
- **Program 3.o (No Net Loss):** This program was revised in the 4th Draft Housing Element to commit to evaluate the effectiveness of identified sites and make necessary adjustments in 2024 and 2026. This change addressed the HCD's comments to this program.
- **Affordable Housing Conservation:** The 4th Draft Housing Element included additional units to be preserved as affordable housing on the Caltrans sites to address HCD's comments regarding affordable housing conservation. These revisions addressed HCD's comments regarding affordable housing conservation.

On February 1, 2023, the City Council held a special meeting to discuss the comment letter received from HCD on January 27, 2023. Staff presented potential responses to comments received and asked for direction in two areas: 1) Affirmatively Furthering Fair Housing; and 2) the Regional Housing Needs Assessment allocation (RHNA). On February 9, 2023, staff conducted a Community Meeting with over 30 persons in attendance. The community received a presentation on the Housing Element and provided public comment. The community meeting included an open discussion. A summary of the public comments received is attached.

Analysis

Affirmatively Furthering Fair Housing

The goal of Affirmatively Furthering Fair Housing is to combat housing discrimination, eliminate racial bias, undo historic patterns of segregation, and lift barriers that restrict access in order to foster inclusive communities and achieve racial equity, fair housing choice, and opportunity for all Californians.

Our most recent comment letter from HCD asked to “include specific commitment and additional actions to improve housing mobility and increase new housing choices and affordability in higher resource areas throughout the City.” To address this concern, staff recommends a Missing Middle Housing program.

Missing Middle Housing is a *term of art* and category of small, multi-family housing types. These housing typologies already exist in South Pasadena and a program of this nature can be used for in-fill housing construction without impacting the overall character of our neighborhoods.

Program 3.m in the Housing Element would be expanded to commit the city to creating a missing middle housing program. This program would include form based standards to allow new small scale housing within existing low density areas. It would be a “by request” type of program available to any property owner within defined areas but it would not affect the underlying zoning.

Staff is seeking direction regarding the extent of the program. There are three possible options for this program:

1. Within ½ mile of a major transit stop (e.g. the L Line station);
2. Within ½ mile of a major transit stop and along high quality transit corridors (e.g. Fair Oaks Avenue and Huntington Drive); or,
3. Citywide, except for high fire hazard areas.

Program 3.m will require that a specific program will be brought forward for city council approval no later than 120 days after adoption of the Housing Element.

Sites Analysis and Lower Income RHNA Units

Due to public comments and additional feedback from HCD, a number of sites that had been identified in the Housing Element to meet the City’s RHNA targets will be removed from the 5th Draft Housing Element. Additionally, a 15% buffer above the RHNA require is necessary to ensure certification of the Housing Element by HCD. In total, the Housing Element needs to identify sites that can accommodate approximately 240 additional lower income units.

A collection of strategies are needed so that the Housing Element has a large enough buffer to ensure certification. These strategies include:

1. Extend the Downtown Specific Plan south along Fair Oaks Avenue and along the length of Huntington Drive to increase zoning capacity in this area to 70 du/ac;

2. Increase density on Fair Oaks Avenue within Downtown Specific Plan beyond 70 du/ac;
3. Increase residential zoning capacity in the Ostrich Farm area, including along Monterey Road; and
4. Restore the allowable density within the residential medium density (RM) from a range of 6.1-14 units per acre to 6.1-30 units per acre and restore the allowable density within the residential high density (RH) from 14.1-24 units per acre to 30.1- 45 units per acre.

Streamlining efforts related to Goal 3.0

Staff has conducted an initial review of impediments to housing production and recommends the following three changes for inclusion in the Housing Element;

Add to Program 3.f – Allow and Facilitate ADU's

The application process for accessory dwelling units (ADU) located in City's Inventory of Historic Resources (Inventory) is currently processed administratively by planning staff. In order to further streamline application process for properties identified in the Inventory, the City will revise the Zoning Code to move approval authority for smaller projects from public hearing (Cultural Heritage Commission approval) to administrative review (Chair Review or Staff Review).

New Program 3.p – Expedited Demolition Review

To reform and create opportunity for new housing developments, the City will revise the Zoning Code to streamline the review process for buildings that are 45 years or older and not identified as a historic resource. The City will start the process of updating the existing historic resource survey in the summer of 2023 and the project scope will include removal of buildings from the historic resources list if they are deemed ineligible. In addition, the City will update the Zoning Code utilizing a simplified historic resource evaluation (HRE) report instead of an intensive level HRE report when evaluating demolition request for non-historic buildings.

Add to Program 3.b – Mixed-Use Development and Adaptive Re-use

To further streamline the permitting process, the City will adopt objective development and design standards (Program 3.b), with assistance from a SCAG REAP-funded program in which South Pasadena is participating. To align with the State's needs and goals for housing production, objective residential development and design standards will be updated to be simpler to understand and easier to implement, resulting in faster processing timelines. The objective development and design standards will include easy-to-read development and design regulations through measurable requirements, simple tables, and diagrams, and they will require no personal or subjective judgement to determine if the standards have been met, allowing for a straightforward administrative process.

This project was kicked off in March 2022, and public outreach is currently on-going from July 2022 to provide information about multi-unit and mixed-use objective

standards and streamlined permitting processes to accelerate housing production. The City is expected to release a draft standard to the general public in March 2023 to receive public input. Afterwards, the planning staff will present the draft standard to public meetings in spring and summer of 2023. The project will culminate with the City's adoption of objective development and design standards within 120 day of adoption of a compliant Housing Element.

Tenant Protections

To ensure that South Pasadena's current residential renters have continued access to safe, stable, and affordable housing, staff recommends adding a sixth goal to the Housing Element: *Expand and strengthen tenant protections for South Pasadena's existing renters*. To achieve this goal, staff recommends the following programs:

- **Program 6.a - Rent Registry.** A rent registry program which would require owners of certain rental property types (those with a minimum number of units, for instance) to register their units and pay a per-unit registration fee on an annual basis. Staff envision the rent registry serving initially as a database that the City would use to collect and track rental data on units, including affordable units, and to disseminate information to property owners about tenant protections. However, the utility of the rent registry could be expanded over time to incorporate additional monitoring, compliance, and enforcement activities as new programs are established and linked to it.
- **Program 6.b - Right to Return.** A right to return policy would establish a tenant's legal right to return to a property at a comparable rent after eviction or relocation due to substantial remodel. Current South Pasadena Municipal Code classifies substantial remodel—if certain conditions are met, including requiring the tenant to vacate for at least 30 days—as a no-fault just cause for eviction.
- **Program 6.c – Temporary Relocation Assistance.** This program would establish the requirement that a property owner pay temporary relocation assistance to the tenant if a remodel or abatement work to bring a property or unit into compliance with health and safety codes requires the tenant to vacate the property for less than 30 days (and therefore, does not meet the City's definition of substantial remodel).
- **Program 6.c – Permanent Relocation Assistance.** This program would establish the requirement that a property owner pay permanent relocation assistance to the tenant for a no-fault just cause eviction. Among cities in Los Angeles with such a program, a common required relocation assistance amount is two or two and a half times either the current rent or the local Fair Market Rent (published annually by the Department of Urban and Housing Development, or HUD) *in addition to* an allowance for moving expenses. City Council passed two urgency ordinances with a relocation assistance requirement in 2019 and 2021 during the COVID-19 pandemic. Staff would review these urgency ordinances and propose a new permanent ordinance with a relocation assistance requirement for no-fault just cause evictions.

- **Program 6.d – Rent Stabilization.** A local rent stabilization program would establish a lower cap on rent increases than that set in the state Tenant Protection Act pursuant to AB 1482.¹ The state Costa-Hawkins Rental Housing Act would prohibit the City from applying a rent stabilization ordinance to certain properties, including single-family homes, condos, and properties built after 1995. As such, the City could require landlords to pay relocation assistance for rent increases in properties that are exempt from rent stabilization.

In addition to the above programs within Goal 6.0, staff proposes including a Rental Housing Inspection Program under Program 1.c, Housing Rehabilitation and Code Enforcement. Such a program would entail 1) proactive and routine inspections of rental properties to ensure with health and safety codes and 2) reactive inspections of properties in response to a tenant's complaint of substandard conditions as required under AB 838, an amendment to the California Health and Safety Code that went into effect in summer 2022. The above-described program 6.c would address concerns that a rental housing inspection program could lead to the displacement of a tenant. Furthermore, per the City's Municipal Code, the owner's compliance with "an order issued by a government agency or court relating to habitability that necessitates vacating the residential real property" is considered a no-fault just cause for eviction, which would trigger the above-proposed permanent relocation assistance requirement. The timeframes for the proposed tenant protections programs are as follows:

- **Tenant Protections Ordinance (to include the below programs):** Ordinance adopted by City Council by December 2023
 - Right to return
 - Temporary relocation assistance
 - Permanent relocation assistance
- **Rent registry:** Ordinance adopted by City Council by February 2024
- **Rent stabilization:** Ordinance adopted by City Council by June 2024
- **Rental housing inspection program:** Ordinance adopted by City Council by October 2024

Next Steps

Staff will continue to finalize the 5th Draft and release for public comment in early March. Staff will then submit the 5th Draft to HCD by March 13, 2023.

Fiscal Impact

There is no fiscal impact with receiving a presentation the 5th Draft Housing Element.

Attachment: Community Meeting Public Comment Summary

¹ The state Tenant Protection Act (also known as AB 1482) caps rent increases for certain properties at the lower of 5% plus inflation or 10%.

ATTACHMENT 1

Community Meeting Public Comment Summary

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Summary of public comments

Special Meeting – 2/9/23

Topic	Comment	Staff Response
Urban Form	<ul style="list-style-type: none"> • Maintain height on Mission • Use Avenues for growth • Provide visual representation of 30 DU/acre, 70 DU/acre • Don't build super large buildings • 50 DU/acre is good for Mission • Small lot subdivisions are a tool that should be added to the program 	<ul style="list-style-type: none"> • Comments and suggestions are in general alignment with the current thinking on where and how to increase development capacity • Staff will include the development of small lot subdivision regulations to the package of streamlining measures.
Areas for additional density	<ul style="list-style-type: none"> • Consider SW area adjacent to City of LA • All areas should have affordable housing • Consider partnering with the School District 	<ul style="list-style-type: none"> • Suggestions will be analyzed as a part of Program 3.n • Staff will contact the School District to gauge interest in a collaborative project.
Renters	<ul style="list-style-type: none"> • Make a commitment to rent stabilization, right to return, relocation benefits 	<ul style="list-style-type: none"> • Add new Program(s) to Housing Element
Historic Preservation	<ul style="list-style-type: none"> • Stop expansion of preservation districts • Preservation and responsible development can co-exist 	<ul style="list-style-type: none"> • Include preservation process reforms in the package of streamlining measures to facilitate housing development
Aging Infrastructure	<ul style="list-style-type: none"> • Don't forget parking • Can our water system handle additional population? • Sewage and stormwater impacts 	<ul style="list-style-type: none"> • We are following State maximum requirements which do not preclude market decisions. • Concerns over water supply were directly addressed by Public Works Director responding that sufficient water exist • Concerns over sewer and stormwater impacts were directly addressed by Public Works Director responding that sufficient exists and is being planned for
CALTRANS Housing	<ul style="list-style-type: none"> • Count properties towards affordable housing obligation • Identify occupied properties with covenants for the City's registry 	<ul style="list-style-type: none"> • Include in Program 1.b • Include in Program 1.d

Topic	Comment	Staff Response
Development Constraints	<ul style="list-style-type: none"> • Are our fees reasonable? • Preservation policies are a constraint 	<ul style="list-style-type: none"> • A comprehensive review of development fees will be included in our streamlining analysis. • Include preservation process reforms in the package of streamlining measures to facilitate housing development
Misc.	<ul style="list-style-type: none"> • What is the population projection for the 2,067 new RHNA units? • Collaborative planning is needed for this type of change. 	<ul style="list-style-type: none"> • Using the average SP household size (2.47), the population projection is 5,106 new residents. • A collaborative review process will be used to finalize the HE's implementing programs.



City of South Pasadena Memo Community Development Department

Date: February 15, 2023

To: The Honorable City Council

Via: Arminé Chaparyan, City Manager *AC*

From: Angelica Frausto-Lupo, Community Development Director
Alison Becker, AICP, Deputy Community Development Director

Subject: February 15, 2023 Special Joint Meeting of the City Council and Planning Commission Item 2. Housing Element Presentation

This memo corrects 3 typographical errors on page 4

Streamlining efforts related to Goal 3.0

Staff has conducted an initial review of impediments to housing production and recommends the following three changes for inclusion in the Housing Element:

Add to Program 3.n – Zoning Changes – ~~Allow and Facilitate ADU's~~

The application process for accessory dwelling units (ADU) located in City's Inventory of Historic Resources (Inventory) is currently processed administratively by planning staff. In order to further streamline application process for properties identified in the Inventory, the City will revise the Zoning Code to move approval authority for smaller projects, such as single story rear additions, from public hearing (Cultural Heritage Commission approval) to administrative review (Chair Review or Staff Review).

New Program 3.p – Expedited Demolition Review

To reform and create opportunity for new housing developments, the City will revise the Zoning Code to streamline the review process for buildings that are 45 years or older and not identified as a historic resource. The City will start the process of updating the existing historic resource survey in the summer of 2023 and the project scope will include removal of buildings from the historic resources list if they are deemed ineligible. In addition, the City will update the Zoning Code to allowutilizing a simplified historic resource evaluation (HRE) report instead of an intensive level HRE report when evaluating demolition request for non-historic buildings.

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**Public Comment
February 15, 2023
Item No. 2**

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From: [William Cullinane](#)
To: [Evelyn Zneimer](#); [Jon Primuth](#); [Michael Cacciotti](#); [Jack Donovan](#); [Janet Braun](#); [Armine Chaparyan](#); [Domenica Megerdichian](#); [Tamara Binns](#); [City Clerk's Division](#); [City Council Public Comment](#)
Cc: [Peter Giuliani Jr](#); [Gregory Chun](#); [Stephen Rossi - Gmail](#); [Fred Findley](#)
Subject: Public Comment from former members of the Finance Ad Hoc Committee
Date: Monday, February 6, 2023 1:44:59 PM
Attachments: [Letter Public Comment from former members of the Finance Ad Hoc Committee.docx](#)

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Please submit this as a public comment and please include the attachments as a published document.

Regards,
William Cullinane

Subject: General Public Comment from former members of the Finance Ad Hoc Committee

[Note: Please include this in the General Public Comment Section for the next scheduled Open Session City Council Meeting]

Mayor Primuth, Mayor Pro Tem Zneimer, and City Councilmembers,

We were pleased to see Mayor Primuth's public response from February 2, 2023 indicating his agreement to seek an opinion from the Fair Political Practices Commission ("FPPC") regarding the potential conflicts of interest raised by Chris Bray's January 21, 2023 communication to the City Council. While we continue to recommend Mayor Primuth, recuse himself until such time as a written opinion is actually obtained, his agreement to seek an opinion, in accordance with policy, is a welcome step in the right direction.

However, we feel his private response sent on February 1, 2023 (which is included below) differed substantially from his subsequent public communication and requires further clarification from this group.

It was not our intent to make a personal attack against Mayor Primuth, nor did our comments stem from any one individual or any undue bias against Colantuono, Highsmith, and Whatley ("CHW").

Rather, our intention was (and continues to be) solely to highlight the ramifications presented by the potential conflicts of interest raised in Chris Bray's January 21, 2023, communication, and to make readily available to Mayor Primuth, City Staff, and the rest of the City Council, the appropriate State and local guidelines and policies which we believe should be followed to address the issues raised.

The concerns identified in our February 1, 2023, public comments, are not based on Mayor Primuth's having taken a position (either for or against) the City Attorney, as a stated position does not constitute a conflict of interest. We encourage and expect each of our elected South Pasadena officials to have opinions, take positions, and engage in open and constructive deliberation in an attempt to facilitate the best possible outcomes for our city and residents.

The potential conflict in question is not contained solely to Lagerlof's relationship with CHW, but rather to any municipal law firm with which Lagerlof may have a relationship that could "reasonably" be foreseen to impact Mayor Primuth's personal financial interests, organizational responsibilities, or personal relationships given his status as a named partner in the firm.

Our recommendation that Mayor Primuth recuse himself from the RFP process *as a whole* took into consideration the following - it is currently unknown which municipal law firms will respond to the RFP or to what extent Lagerlof has a relationship with each. The relationship(s) could take the form of a direct client, serving the same clients, working on cases together, or where those law firms serve as the contract city attorney for other municipal agencies with which Lagerlof may conduct business, and thus would be in a position to review the work performed by Lagerlof.

Lastly, "knowledge" is irrelevant as to policy. As soon as Mayor Primuth joined a municipal law firm, the "possibility" for conflicts should have been apparent, and conflict checks should have been conducted. Regardless, the potential for conflicts has now been raised by community residents, and we would hope/expect appropriate measures be taken to ensure State law and our own South Pasadena Code of Ethics be appropriately followed by all Councilmembers.

As always, we make ourselves available to answer questions in support of furthering the public good of the South Pasadena community.

Respectfully yours,

Fred Findley
Peter Giuliani
Greg Chun
Stephen Rossi
William Cullinane

Begin forwarded message:

From: Jon Primuth <jprimuth@southpasadenaca.gov>

Subject: Re: Public Comment from former members of the Finance Ad Hoc Committee

Date: February 1, 2023 at 4:24:15 PM PST

To: Stephen Rossi - Gmail [REDACTED]

Cc: Peter Giulioni Jr [REDACTED], Fred Findley [REDACTED], Gregory Chun [REDACTED], William Cullinane [REDACTED]

Hey, Steve, these aren't actual conflicts of interest. I didn't even know our firms had any prior joint representation of clients. All of the "potential" and "possible" qualifiers in your statement should create a healthy skepticism.

I would've appreciated a reach out for clarification or additional information so that you could have a more certain picture.

I intend to fully participate in the RFP process, if I special counsel opinion clears me, which I expect it will. And if CHW doesn't submit a response, there's no need even to address the issue.

If CHW does submit a response to the RFP, then, under your logic, three of us would be disqualified because council members Zneimer and Braun have taken a position against the city attorney.

Your argument that I should've disclosed "possible" conflicts of interest that I was unaware of and that have no substance, and using that to create an ethics "concern", is essentially a personal attack.

I understand the anger against CHW is real. Mistakes were definitely made. Your view of the Smith case (you're missing an awful lot of perspective here) has put you in a place of hostility to me personally.

My question to you is, is it even possible someone could reasonably disagree with your views on CHW, particularly in light of the city attorney swap of Andrew for Terry, and the fact that Terry Highsmith plays no role in the city's legal affairs (based on my review of invoices)?

I suppose your strong views on the subject make you feel justified in attacking my integrity. I thought better of this group.

Jon Primuth

Begin forwarded message:

From: Jon Primuth <jprimuth@southpasadenaca.gov>

Subject: Re: Public Comment from former members of the Finance Ad Hoc Committee

Date: February 2, 2023 at 5:33:47 AM PST

To: Stephen Rossi - Gmail [REDACTED], "City Council Public Comment"

<ccpubliccomment@southpasadenaca.gov>, Evelyn Zneimer <ezneimer@southpasadenaca.gov>, Michael Cacciotti <mcacciotti@southpasadenaca.gov>, Jack Donovan <jdonovan@southpasadenaca.gov>, Janet Braun <jbraun@southpasadenaca.gov>, Armine Chaparyan <achaparyan@southpasadenaca.gov>, Domenica

Megerdichian <dmeگردichian@southpasadenaca.gov>, Tamara Binns <tbinns@southpasadenaca.gov>, City Clerk's Division <CityClerk@southpasadenaca.gov>

Cc: Peter Giulioni Jr [REDACTED] Fred Findley [REDACTED] Gregory Chun [REDACTED] William Cullinane [REDACTED]

Steve,

I have a number of thoughts for another reply, but I wanted to let you know that I will be seeking an opinion from the FPPC on the issues you've raised. My firm and CHW have no direct business ties, and the coincidental joint representation of one or two clients in the past does not create an economic common interest. And I haven't had social or networking contact with any firm member. I take all your "potential" and "possible" suppositions very seriously.

Thank you for making yourselves available for questions. I will follow up in another communication with several questions.

Jon Primuth

From: Stephen Rossi [REDACTED]

Sent: Wednesday, February 1, 2023 10:37:09 AM

To: ccpubliccomment@southpasadenaca.gov <ccpubliccomment@southpasadenaca.gov>; Evelyn G. Zneimer Esq. <ezneimer@southpasadenaca.gov>; Jon Primuth <jprimuth@southpasadenaca.gov>; mcacciotti@southpasadenaca.gov <mcacciotti@southpasadenaca.gov>; Jack Donovan <jdonovan@southpasadenaca.gov>; jbraun@southpasadenaca.gov <jbraun@southpasadenaca.gov>; Armine Chaparyan <achaparyan@southpasadenaca.gov>; Domenica Megerdichian <dmeگردichian@southpasadenaca.gov>; Tamara Binns <tbinns@southpasadenaca.gov>; City Clerk's Division <CityClerk@southpasadenaca.gov>

Cc: Peter Giulioni [REDACTED]; Fred Findley [REDACTED]; Greg Chun [REDACTED] William (Bill) Cullinane [REDACTED]

Subject: Public Comment from former members of the Finance Ad Hoc Committee

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Mayor Pro Tem Zneimer and City Councilmembers,

It is with regret that we, former members of the Finance Ad Hoc Committee ("FAHC"), find ourselves reaching out to you today. However, after becoming aware of the potential conflicts of interests between the Mayor and former FAHC member, Jon Primuth, and our contract City Attorney firm, Colantuono, Highsmith, and Whatley ("CHW"), we feel it necessary to voice our concern over the potential influence these possible conflicts, and Mr. Primuth's failure to disclose them, may have had not only on the deliberations, content, and recommendations contained in the FAHC's final report, but also on the deliberations, review, and decisions made by the City Council itself relative to the report.

Please note that we are not in a position, to make any statement about whether a conflict of interest *exists*. However, the information provided by South Pasadena resident, Chris Bray, to the City Council, on or about January 21, 2023, combined with Mr. Primuth's own actions and statements throughout the FAHC's process, during open session City Council meetings in June 2022 and August 2022 where the FAHC report was discussed and voted on twice, and again in the open session City Council meeting held on January 18, 2023 during which the City Council deliberated and voted whether to institute an RFP for a new City Attorney leads to the conclusion that the *appearance* of a conflict of interest does exist.

Mr. Primuth's own comments during the January 18, 2023, meeting, "I don't see the need for an RFP...I don't see there's any performance issues. I have no reason to think that any other firm could perform at a higher level...I'm a satisfied consumer," helped lead to his exclusion from the RFP subcommittee with Councilmember Braun noting, "Jon...you've kind'uv disqualified yourself."

Despite Mr. Primuth's public claims that he was merely "a secretary trying to faithfully execute a reasonable consensus," and "did not have any input on the recommendations," the video and email evidence will show that Mr. Primuth was an active participant who influenced the FAHC's final report - including its content, final discussions, recommendations, final vote, and even the form of delivery to the City.

Running conflicts checks is a standard operating procedure for legal firms, and as a named partner in Primuth, Driskell, & Terzian, LLP, Mr. Primuth, having just taken his Council seat in December 2020, should have been aware of the potential for conflicts as his firm consummated a 2021 merger with Lagerlof, a known municipal law firm. Furthermore, CHW, South Pasadena's contract City Attorney, responsible for ensuring the City's ongoing compliance with law, procedures, and policies, should have been immediately aware of the potential ethical pitfalls raised by the 2021 merger (as CHW is aware of Lagerlof's municipal practice) and promptly brought them to City Staff and the City Council for review.

As recently as January 25, 2023, Mr. Primuth has stated that he plans to continue to exert influence, and even vote, on issues pertaining to CHW's performance and the now ongoing RFP and will *only* recuse himself if a special counsel advises the City otherwise. We believe this continued stance is inconsistent with the guidance from both the Fair Political Practices Commission ("FPPC") and South Pasadena's own guidance to Councilmembers and Commissioners:

"Public officials should seek advice on how these laws apply as early in the process as possible – as soon as a disqualifying conflict of interest is even a possibility. This means taking an active and attentive role by asking questions...Only a formal opinion or formal advice letter from the FPPC will protect a public official if someone argues that a violation of the Political Reform Act has occurred."
Understanding the Basics Public Service Ethics Laws, Institute for Local Government (emphasis added)

"The rule is that a public official may not make, participate in, or influence a governmental decision that will have a **reasonably foreseeable** and material financial effect on the official, the official's immediate family, or any of the official's economic interests."
Understanding the Basics Public Service Ethics Laws, Institute for Local Government (emphasis added)

"In order to assure their independence and impartiality on behalf of the common good, members shall not use their official positions to influence government decisions in which they have a material financial interest or where they have an organizational responsibility or personal relationship, **which may give the appearance of a conflict of interest.**"
August 21, 2019 South Pasadena Resolution Establishing a Code of Ethics and Conduct Policy for Elected and Appointed Officials (emphasis added)

"While there is nothing wrong with having a conflict of interest, it is improper if you fail to disclose that interest, or use your official position to influence a decision that could serve your interest.. He or she must abstain from all discussion and voting, and cannot try to influence the outcome of the matter in any way. The member should state the nature of the conflict and should leave the room until that item is finished...IF IN DOUBT: Whenever a Commissioner believes there may be an economic conflict of interest, **he or she should seek an opinion from the Fair Political Practice Commission.** At any time, it is safest to err on the conservative side and to publicly identify the conflict."
City of South Pasadena Commissioner Handbook (emphasis added)

As such, we find it prudent and timely to make the following requests of Mr. Primuth and the rest of the City Council:

Mr. Primuth immediately recuse himself from influencing (including discussing with the public, City Staff, commissioners, or other councilmembers; discussing in closed or open session meetings; or participating in any vote of the Council or other committee) any decision regarding CHW performance, hiring CHW as counsel for any new work, or the now ongoing City Attorney RFP process itself; and

As the recommendations presented by the FAHC were dismissed by the City Council, possibly due to the influence exercised by Mr. Primuth in the media and during open session meetings, we five former FAHC members believe the recommendations should be brought back before the City Council in open session (with Mr. Primuth recusing himself from the discussion), as soon as possible, to discuss and vote on whether to implement those recommendations, including the creation of an Internal Auditor position within the City.

As always, we make ourselves available to answer questions in support of furthering the public good of the South Pasadena community.

Respectfully yours,

Fred Findley

Greg Chun

Peter Giulioni

Stephen Rossi

William Cullinane

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From: [Alan Ehrlich](#)
To: [City Council Public Comment](#); [Chris Bray](#)
Cc: [Evelyn Zneimer](#); [Jon Primuth](#); [Janet Braun](#); [Jack Donovan](#); [Michael Cacciotti](#); [Steven Lawrence](#); [WISPPA](#); [Andrew Jared](#); [Armine Chaparyan](#); [Zahir Robb](#)
Subject: Re: General Public Comment, Feb. 15 City Council Open Session
Date: Monday, February 13, 2023 3:54:19 PM

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Typical Primuth, speaking out of both sides of his mouth. He disgusts me.

On 2/13/23, 1:27 PM Chris Bray [REDACTED] wrote:

Councilmembers,

In a Feb. 1 email message to members of the erstwhile Ad Hoc Finance Committee, Mayor Primuth makes this reference to Colantuono, Highsmith & Whatley: "I understand the anger against CHW is real. Mistakes were definitely made."

If the mayor knows that CHW made mistakes that make anger understandable, his recent argument that a legal services RFP is unnecessary, supported with the statement that he's a *satisfied customer* of the city's law firm, becomes indefensible and incoherent.

More important:

Our city government is emerging from a period of exceptionally severe crisis, as evidenced by the current condition of the streets, the decades-old general plan, and the years of musical chairs in the management ranks of the Finance Department. For several years, many of the basic administrative functions of city government just somehow stopped.

During that period of crisis, people who **said** that the city was in crisis were attacked, demeaned, vilified, demonized, and relentlessly defamed. A member of the city council circulated email messages saying that critics of the city were white supremacists, child molesters, and wifebeaters. A member of the school board posted on social media that he thought the city government was being criticized by residents because white nationalist organizations had sent secret agents to South Pasadena to do undercover work infiltrating the community. A form of madness took hold here, and persisted for several years, as routine criticisms -- e.g. concerns about the accuracy of a budget document -- became FIFTH COLUMN ATTACKS FROM CHILD MOLESTER NAZI WIFEBEATING SECRET AGENTS. It is not possible for me to exaggerate the contempt and disgust I still feel for this idiocy, and for the people who participated in it.

The dysfunction and the dimwitted psychodrama *connect*. In this atmosphere of social madness, minor conflicts led to worsening crisis, as when (for example) the city went to war with a homeowner over what was initially a \$4,000 property damage claim from a sewage spill. Turning a \$4,000 claim into years of expensive litigation, a daylong coercive home raid undertaken with a warrant and a police presence, and a \$200,000 settlement is a debacle on the level of Captain Queeg hunting for the key to the wardroom icebox.

Today, we are emerging from that period of crisis, having replaced many of the people who led the city into decline. But the spectacle of watching the seamless pivot from *anyone who criticizes the city is a Nazi secret agent who beats his wife* to *mistakes were made, but let's move on* is remarkable. I agree that we need to move on, but how do we move on without saying what we're moving on from? At some point, I'd appreciate a solid five minutes of candor from our elected officials.

So I ask Mayor Primuth to answer two questions, and to do it publicly:

1.) If "mistakes were definitely made," what were they? Specifically and explicitly, *what mistakes were made?*

2.) Who made them? What were the *names* of the people who made these mistakes?

Something very strange happened here. No one has ever really talked about it. That's not a recipe for recovery.

Chris Bray
South Pasadena resident

From: [Chris Bray](#)
To: [City Council Public Comment](#)
Cc: [Jon Primuth](#); [Evelyn Zneimer](#); [Janet Braun](#); [Jack Donovan](#); [Michael Cacciotti](#); [Steven Lawrence](#); [WISPPA](#); [Andrew Jared](#); [Armine Chaparyan](#); [Zahir Robb](#)
Subject: General Public Comment, Feb. 15 City Council Open Session
Date: Monday, February 13, 2023 1:27:37 PM

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Councilmembers,

In a Feb. 1 email message to members of the erstwhile Ad Hoc Finance Committee, Mayor Primuth makes this reference to Colantuono, Highsmith & Whatley: "I understand the anger against CHW is real. Mistakes were definitely made."

If the mayor knows that CHW made mistakes that make anger understandable, his recent argument that a legal services RFP is unnecessary, supported with the statement that he's a *satisfied customer* of the city's law firm, becomes indefensible and incoherent.

More important:

Our city government is emerging from a period of exceptionally severe crisis, as evidenced by the current condition of the streets, the decades-old general plan, and the years of musical chairs in the management ranks of the Finance Department. For several years, many of the basic administrative functions of city government just somehow stopped.

During that period of crisis, people who **said** that the city was in crisis were attacked, demeaned, vilified, demonized, and relentlessly defamed. A member of the city council circulated email messages saying that critics of the city were white supremacists, child molesters, and wifebeaters. A member of the school board posted on social media that he thought the city government was being criticized by residents because white nationalist organizations had sent secret agents to South Pasadena to do undercover work infiltrating the community. A form of madness took hold here, and persisted for several years, as routine criticisms -- e.g. concerns about the accuracy of a budget document -- became FIFTH COLUMN ATTACKS FROM CHILD MOLESTER NAZI WIFEBEATING SECRET AGENTS. It is not possible for me to exaggerate the contempt and disgust I still feel for this idiocy, and for the people who participated in it.

The dysfunction and the dimwitted psychodrama *connect*. In this atmosphere of social madness, minor conflicts led to worsening crisis, as when (for example) the city went to war with a homeowner over what was initially a \$4,000 property damage claim from a sewage spill. Turning a \$4,000 claim into years of expensive litigation, a daylong coercive home raid undertaken with a warrant and a police presence, and a \$200,000 settlement is a debacle on the level of Captain Queeg hunting for the key to the wardroom icebox.

Today, we are emerging from that period of crisis, having replaced many of the people who led the city into decline. But the spectacle of watching the seamless pivot from *anyone who criticizes the city is a Nazi secret agent who beats his wife to mistakes were made, but let's move on* is remarkable. I agree that we need to move on, but how do we move on without saying what we're moving on from? At some point, I'd appreciate a solid five minutes of

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Something very strange happened here. No one has ever really talked about it. That's not a recipe for recovery.

Chris Bray
South Pasadena resident

From: [Ed Elsner](#)
To: [City Council Public Comment](#)
Subject: General Public Comment for Feb. 15, 2022, Regular City Council Meeting (Item 2)
Date: Tuesday, February 14, 2023 1:27:35 PM

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I'm writing to comment on the conflict of interest allegations that have been levied against Mayor Primuth.

I've reviewed the general public comment submitted by several former members of the finance ad hoc committee on February 1st, two email responses from Primuth, and a new public comment submitted by the former committee members on February 6th.

Last week I had a brief conversation with one of the former committee members about the February 1st public comment, and I haven't had any communications with Primuth concerning the matter.

For the record, I am not seeing a disqualifying conflict of interest, the appearance of a disqualifying conflict of interest, or a disclosure obligation under the Political Reform Act regulations, and I expect that the Fair Political Practices Commission will reach the same conclusion if it conducts a review.

Although the former ad hoc committee members have concluded that there is an appearance of a conflict of interest, I do not believe they looked at the Political Reform Act regulations, and their submissions do not specify what disqualifying conflict they believe is "possible" under those regulations.

This is consistent with my experience on the finance ad hoc committee, whose summary report made various conclusions about "possible" conflicts of interest without identifying or discussing the primary sources of authority.

In one instance, the committee concluded that the Colantuono, Highsmith and Whatley firm had a possible conflict of interest, but the cited reference supported the opposite conclusion.

This undisciplined approach to evaluating conflicts of interest was one of the reasons that I resigned from the committee.

A more troubling aspect of the present controversy is Primuth's exclusion

from the group discussion that preceded the submission of the February 1st public comment.

As I understand it, a resident circulated an email raising conflict of interest issues on Saturday, January 21st at 11:30 p.m.

On Sunday, January 22nd at 8:33 a.m., the resident's email was forwarded to select former members of the finance ad hoc committee by Steve Rossi, a former city council member and former member of the committee.

When he forwarded the email, Rossi had already concluded that "This looks to be a pretty blatant violation of the city's code of ethics," and his request for a group discussion was framed by that conclusion.

The former committee members subsequently met and drafted their February 1st public comment, which was copied to Primuth when it was submitted.

This is not the first time that Primuth has been excluded from finance ad hoc committee discussions.

After the 2020 election, newly-elected council members Primuth and Jack Donovan were appointed to the committee to replace Rossi and Bob Joe, who were not re-elected and were therefore not eligible to serve as the committee's two appointed City Council members.

To the best of my recollection, Primuth participated in every committee meeting with City staff after his appointment to the committee (all of which were held on Zoom).

Rossi did not attend most of the post-election meetings with staff, but he did attend the final meeting with staff in September 2021.

(No roll call was taken at committee meetings, and no minutes were kept, so I haven't been able to confirm my recollection about who attended which meetings.)

After the final meeting with staff, Rossi called an in-person meeting, which was held on a Saturday morning in late September 2021 at a committee member's residence.

This was a critical meeting where the drafting process for the committee's

final summary report was discussed.

Primuth did not attend the meeting, and I later learned that he had not been invited.

Around this same time, Rossi deleted Primuth from the committee's email list.

Once I realized that Primuth was being shut out, I brought it to the committee's attention and the problem was corrected, but it should never have happened in the first place.

There was a certain irony in Rossi's excluding Primuth from group discussions and emails, as Rossi was no longer a member of the ad hoc committee and Primuth was his duly-appointed successor.

If Rossi had been deliberately excluded from committee meetings and emails, he would not have tolerated it.

Primuth's response to the February 1st public comment was consistent with basic notions of civility and fairness which Primuth certainly would have observed if the shoe were on the other foot: "I would've appreciated a reach out for clarification or additional information so that you could have a more certain picture."

Even if they ultimately disagreed with Primuth's position on the conflict issues, the former committee members should have given him an opportunity to be heard.

It's disappointing that the former committee members would not extend this courtesy to Primuth before blasting him publicly.

Ed Elsner

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From: [Alan Ehrlich](#)
To: [ezneimer](#); [Michael Cacciotti - Personal](#); [City Council Public Comment](#); [Jack Donovan](#); [Janet Braun](#); [Jon Primuth](#)
Cc: [Steve Lawrence](#); [Zane Hill \(SoPasReview\)](#); [Armine Chaparyan](#); [Tom Bray](#); [City Clerk's Division](#)
Subject: General Public Commentfor 2/15/23 , CHW - Council - PRA issue Apr 2020 + Ethics & Code of Conduct Policy 2020
Date: Saturday, February 11, 2023 3:57:08 AM
Attachments: [CHW 20200415.pdf](#)
[Ethics and Code of Conduct Policy 2020 04 15.pdf](#)
[Sp Psdn 2020 04 25 Legal PRA.pdf](#)

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Council members,

Cleaning out my desk and found this blurb from the Apr 25, 2020 issue of the South Pasadenan, where Councilmember Cacciotti is quoted during a council meeting that one of the items on the CHW warrants for that month include charges related to CPRA requests, one demanding up to 7,000 documents. Copy of the CHW warrant is also attached, "only" \$18m for special projects in that month.

Over the last 3 years, several different council members, primarily Diana, Jon, & Marina, have repeatedly brought up this 'example' of the citizenry running amok, wasting staff's time & resources, and driving up legal costs for the city. As I have mentioned during public comment in a numerous council meetings, the number of PRA requests should be viewed as a canary in the coal mine. When requests go up, it is an indication that the voters have lost confidence in city governance and leadership.

Can we agree to call a time-out on the BS about the volume of PRAs generally? This one example seems to be an outlier, perhaps related to the Vanessa Marquez officer involved shooting, governance problems under former city manager Dewolfe, or perhaps related to the audit and budget disaster of 2020, which was then becoming a major issue. Just the number of employee lawsuits against the city around that time could be cause for substantial discovery. What's also left unclear is whether the 7,000 documents mentioned were a result of a single PRA, or the conglomeration of multiple PRA's on related or entirely separate matters. In any event, I'm sure we can agree that a 7,000 document one time request is a statistical outlier, and does not explain the ongoing \$10,000+ per month of PRA/Special Projects costs being charged by the city attorney, which has been the norm for the past 3 years. Fundamentally, there is something wrong if any city official believes this is normal and not something that demands deeper investigation into the causes. Simply stated, if the city's elected and appointed officials are acting as transparently as you all claim, I am confident there would be substantially fewer reasons why members of the community and media might submit PRA requests.

At the next council meeting on 2/15, I will ask the city manager/council to disclose the general nature of this aforementioned 7,000 document request in April 2020. This is a matter of the public interest. If the matter has been resolved and is not in potential or current litigation, per CPRA, GC §6254, then providing a description as to the general nature of these particular PRAs is not subject to any attorney client privilege.

Related to this topic, I also attach, for the record, the Ethics and Code of Conduct policy enacted by the city council in 2020. I direct your attention specifically to the **Purpose** and first bullet point, which states in part; ". . . **complies with both the spirit and letter of the laws and policies . . .** "

Mayor Primuth, several prominent members of the community have recently accused you of violating the **spirit**, if not **the letter**, of the Code of Conduct, specifically in regards to defending the work of the city attorney's firm, Colantuono, Highsmith & Whatley, and further, they

requested for you to recuse yourself from any further participation in evaluation of the performance of the current city attorney and the RFP process to select the next city attorney. From your replies to those community members and at the last city council meeting, it is clear that you do not grasp the concept of what is meant by the spirit. Other than yourself, a partner in your firm, the public does not know if you have violated the **letter of the policy**, FPPC or Government Code, but you have not been transparent about the various interactions between your firms and that is why there is a problem. In light of the city Ethics and Code of Conduct, I add my name to those asking you to recuse yourself from any further engagement with this matter.

To the extent that you appear to not comprehend the meaning of **the spirit**, if not the letter of the code of conduct, you have brought upon yourself the following question and a demand for disclosure. **Are there any individual person(s) or firm(s) who have or have had business before the city at any time in the last 27 months (since your election), that have also consulted with, sought an opinion, retained, or in other other way engaged in business with you, any attorney at Lagerlof LLP, any attorney at Primuth Driskell LLP before the two firms merged, or with any of the other attorneys/firms that have subsequently joined Lagerlof?** Knowing that you were a debate champion in high school and self-proclaimed expert in semantics, I urge your to consider when responding to this question to consider the spirit, in addition to the letter, in which the question is asked. If we may take a detour down memory lane for a moment and allow me to refresh your memory some about Watergate, it was not so much the crime, but the cover-up, which brought down the Nixon administration.

It goes without saying that I have been highly critical of the overall performance of CHW, the amount of potential litigation, the number of lawsuits to which the city has become entangled since CHW was first retained, and the 400% increase in legal costs over the past 6 years. Nonetheless, CHW is as welcome as any other firm to submit a legal services proposal, and if they have confidence in the services provided, I would expect nothing less. Just as the city recently sent out a RFP for tree maintenance services, which have been outsourced since forever, rebidding and reevaluating contracts every few years simply makes good business sense and does not necessarily reflect negatively on the current service provider. As Michael Corleone famously said, **"its not personal, its strictly business."** I trust, should CHW respond to the RFP, their proposal would be judged by the ad hoc sub-committee on its merits the same as all other applicants.

Respectfully,
Alan Ehrlich

"Sunlight is said to be the best of disinfectants."
- Supreme Court Justice Louis Brandeis,

"Openness in government is essential to the functioning of a democracy."
International Federation of Professional & Technical Engineers, Local 21 v. Superior Court
California Supreme Court, 42 Cal.4th 319 (2007)

Check Number	Check Date	Amount
310215	03/12/2020	
Inv XCX6136	Microsoft Surface GAS Office Edition P&B	283.71
Inv XDB1729	Microsoft Surface 3 Year Warranty P&B	251.67
310215 Total:		535.38
310247	03/19/2020	
Inv NIZ33022	Credit Memo	-1,056.20
Inv WSD3406	Order of Surface Pro	1,632.43
Inv WSD3408	Order of Qty # 2 Surface Pro 6's with I7	3,264.86
Inv WSN8472	Microsoft Surface Pro Warranty (Qty # 2)	503.34
Inv WSN8481	Microsoft Surface Warranty - 3 Years	251.67
310247 Total:		4,596.10
CDW5246 - CDW Government LLC Total:		5,131.48
CBSE6010 - Cell Business Equipment		
310216	03/12/2020	
Inv 66915219	Public Works Copier 02/01-02/29/2020	251.61
310216 Total:		251.61
310274	04/07/2020	
Inv 67137624	Public Works Copier (03/01-03/31/2020)	264.20
310274 Total:		264.20
CBSE6010 - Cell Business Equipment Total:		515.81
CHWP2010 - Colantuono,Highsmith & Whatley,PC		
310275	04/07/2020	
Inv 41668	General Services	10,088.07
Inv 41669	Case 2	17,607.18
Inv 41670	Labor & Employment	12,746.76
Inv 41671	Misc. Litigation	9,062.98
Inv 41672	Special Projects	18,000.50
Inv 41673	Gardena v. RWQCB	65.00
Inv 41674	Water & Utilities	730.00
310275 Total:		68,300.49
CHWP2010 - Colantuono,Highsmith & Whatley,PC Total:		68,300.49
CZLR - Cozen, Laura		
310276	04/07/2020	
Inv 110529	Refund due to Class Cancellation from CO	34.00
310276 Total:		34.00
CZLR - Cozen, Laura Total:		34.00

But as midnight neared and having been warned by City Manager Stephanie DeWolfe that expenses and losses due to the pandemic would leave "a major chunk of missing revenue" in the budget, Councilmembers labored over items on the lengthy but normally uncontroversial list of payments which at this meeting totaled \$1.8 million.

His tone growing increasingly passionate, Cacciotti questioned a number of them—a \$68,300.49 legal bill that the city attorney said was due in part to an "inordinate" number of public record requests—some demanding up to 7,000 documents; \$7,575 for a Sacramento lobbyist Cacciotti said the city doesn't need; and \$2,155.34 in purchases from a store outside the city that he said should have been done in town to recoup the city's share of sales tax.

But his exasperation peaked when he came to the \$12,187.50 payment for Fallbrook, CA-

to the City Manager, reported that since March the city has produced 13 COVID-related news releases and redesigned its website to feature COVID information.

"It's unfortunate that people who have been counting have not received the notices," Councilwoman Diana Mahmud said evenly. She defended the need for and cost of the contract extension but lamented the city's no-win situation: people complain both that the city is not communicating enough and spending too much when it tries to communicate more. "We're getting whip-sawed."

Khubesrian said two comments supporting the RMG extension arrived after the deadline. She complained about the complainers, saying her constituents ask, "Why is it the same people? It seems like they are never happy about anything." She said "it's hard to put a lot of credibility in that

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though no one knows whose guac is whose, "he'd always beat me. He had a killer guacamole."

When he played, it was never an opportunity to show off chops but an opportunity to support the song and the singer/songwriter," said Wrecker David Plenn. "He had an innate ability to sense the vibe of the tune and know exactly what to play to elevate it up to another level. It sounds easy, but it's not.

The tall and lanky Fleming might be best known for his tendency, while a singer was on, to slip on stage behind them and start playing along. Two close friends, Joe Davis and Lynn Clark, describe it this way: "Brad always curates an evening of fine musicians. However, if Tim Fleming was in the house, you were assured that something

extra-special was going to happen. If a guest artists' music moved him, he would ever-so-subtly glide up onstage and accompany them with his steel pedal magic. His entry into their songs was seamless. And the musicians always welcomed his presence with open arms, happy to have their work enhanced by his artistry."

This skill was especially noticeable, Plenn added, because being behind them, Fleming could not see what key or chord the performer was using, but always got the right note.

"An amazing amount of music came out of that man," said Ed Donnelly, the versatile musician of South Pasadena's Little Silver Hearts, a group in which Fleming also played.

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City Council Agenda Report

ITEM NO. 12

DATE: April 15, 2020

FROM: Stephanie DeWolfe, City Manager

PREPARED BY: Maria E. Ayala, Chief City Clerk
Teresa L. Highsmith, City Attorney

SUBJECT: **Adoption of Resolution Establishing a Code of Ethics and Conduct Policy Applicable to Elected and Appointed Officials**

Recommendation

It is recommended that the City Council adopt a resolution establishing a Code of Ethics and Conduct Policy (Policy) for all elected and appointed officials, including members of advisory boards, commissions and committees to address responsibility, fairness, respect and integrity.

Commission Review and Recommendation

The proposed policy was vetted by City commissions. Feedback from various commissions was taken into account in preparation of the final document. Most commission feedback focused on the provisions of the proposed policy which restates and simplifies the requirements of the Political Reform Act (PRA). The City's proposed Policy is a quick condensing of some of the most important provisions of the PRA, and was drafted in a manner intended to be easier understood and to comply with.

Discussion/Analysis

The Code of Ethics and Conduct Policy promotes an atmosphere of respect and civility where individual members, City staff and the public are free to express their ideas and work to their full potential. The purpose of a Code of Ethics and Conduct Policy is to ensure that all elected and appointed officials, while exercising their office, conduct themselves in a manner that will instill public confidence and trust in the fair operation and integrity of the City.

The overall principles and guidelines contained in this Policy also describe the manner in which the City Council, City Treasurer, City Clerk, Commissioners, Committee members and Board members are expected to treat one another, City staff, and all others they come into contact with while representing the City. The Code of Conduct defines more clearly the behavior, manners, and courtesies that are suitable for various occasions. The constant and consistent theme through all of the conduct guidelines is "respect."

The Code of Ethics and Conduct Policy is intended to be self-enforcing and is an expression of the standards of conduct for members expected by the City. It therefore becomes most effective when members are thoroughly familiar with it and embrace its provisions.

Background

In October 2019, City Council adopted Ordinance No. 2333 adding a Code of Ethics and Conduct section to the City's Municipal Code. At the time of adoption, Council provided instruction to staff to defer initial review of the resolution (consisting of the actual policy as an exhibit) to each commission for their review and feedback.

Staff received and reviewed the feedback provided by the commissions. Feedback from the various commissions was taken into consideration in finalizing the Policy. Staff worked with the City Attorney to draft the final language of the Policy.

Next Steps

1. Upon Council approval, the Code of Ethics and Conduct Policy will be provided to each current City elected and appointed official for signature.
2. The Code of Ethics and Conduct Policy will be included in the regular orientations for candidates for elected offices including City Council, City Treasurer, and applicants to Board, Committee and Commissions.
3. Members entering office shall sign a statement acknowledging they have read and understood the Code of Ethics and Conduct Policy.
4. The Code of Ethics and Conduct Policy will be periodically reviewed by the City Council and updated as necessary by Council Resolution.

Legal Review

The City Attorney has reviewed this item.

Fiscal Impact

There is no fiscal impact with the adoption of a Code of Ethics and Conduct policy.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachments:

1. Proposed resolution establishing Code of Ethics and Conduct Policy
2. Ordinance No. 2333, Ordinance Adding a Code of Ethics and Conduct Section

ATTACHMENT 1
Resolution Establishing Code of Ethics and Conduct
Policy

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
ADOPTING A POLICY FOR THE CODE OF ETHICS AND
CONDUCT FOR ELECTED AND APPOINTED OFFICIALS**

WHEREAS, the purpose of a Code of Ethics and Conduct Policy is to assure that all elected and appointed officials, while exercising their office, conduct themselves in a manner that will instill public confidence and trust in the fair operation and integrity of the City; and

WHEREAS, consistent with the requirements of AB 1234, the City requires all elected or appointed officials, employees and members of Boards, Commissions and Committees, to participate in ethics training in general ethics principles and laws relevant to public service every two years; and

WHEREAS, in the furtherance of transparency and good governance and to promote an atmosphere of respect and civility where individual officers, City staff and the public are free to express their ideas and work to their full potential, the City Council desire to create a Code of Ethics and Conduct applicable to all elected and appointed City officials.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF SOUTH PASADENA AS FOLLOWS:**

SECTION 1. The City Council adopts the Code of Ethics and Conduct Policy for Elected and Appointed City officials as shown in Exhibit A, attached hereto.

SECTION 2. To the extent there is a conflict with existing policies adopted by the City Council, the Code of Ethics and Conduct Policy adopted by this Resolution controls.

SECTION 3. This Resolution shall be effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED ON this 15th day of April, 2020..

Robert S. Joe, Mayor

ATTEST:

APPROVED AS TO FORM:

Evelyn G. Zneimer, City Clerk
(seal)

Teresa L. Highsmith, City Attorney

I HEREBY CERTIFY the foregoing resolution was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 15th day of April, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Evelyn G. Zneimer, City Clerk
(seal)



City of South Pasadena

Code of Ethics and Conduct for Elected and Appointed City Officials

*"Always do right. This will gratify some people
and astonish the rest."*

-Mark Twain

PURPOSE

The City Council adopts this Code of Ethics and Conduct to ensure that all elected and appointed officials, while exercising their office, conduct themselves in a manner that will instill public confidence and trust in the fair operation and integrity of the City government.

CODE of ETHICS

The citizens and businesses of South Pasadena are entitled to have fair, ethical and accountable local government. To this end, the public should have full confidence that their elected and appointed officials:

- Comply with both the letter and spirit of the laws and policies affecting the operations of government;
- Are independent, impartial and fair in their judgment and actions;
- Use their public office for the public good, not for personal gain; and
- Conduct public deliberations and processes openly, unless required by law to be confidential, in an atmosphere of respect and civility.

Therefore, members of the City Council, City Treasurer, and City Clerk and of all Boards, Committees and Commissions shall conduct themselves in accordance with the following ethical standards to assure public confidence in the integrity of local government and its effective and fair operation.

1. Acts in the Public Interest

Members will work for the common good of the people of South Pasadena and not for any private or personal interest, and they will ensure fair and equal treatment of all persons, claims and transactions coming before the South Pasadena City Council, boards and commissions.

2. Comply with the Law

Members shall comply with the laws of the nation, the State of California and the City of South Pasadena in the performance of their public duties. These laws include but are not limited to: The United States and California constitutions, Fair Political Practices laws pertaining to conflicts of interest, election campaigns, financial disclosures, employer responsibilities and open processes of government and adopted City ordinances and policies.

3. Conduct of Members

The professional and personal conduct of members must be above reproach and avoid even the appearance of impropriety. Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of the council, boards and commissions, the public and staff.

4. Respect for Process

Members shall perform their duties in accordance with the processes and rules of order established by the City council and boards and commissions governing the deliberation of public policy issues, meaningful involvement of the public and implementation of policy decisions of the City Council by staff.

Members shall respect the determinations of the City Council or board and commission majority, understanding that a tenant of parliamentary procedure is finality—after vigorous discussion, debate, and vote the matter is deemed closed, and members shall refrain from requesting to revisit the matter, other than through a motion for reconsideration consistent with parliamentary procedure set forth in Roberts Rules of Order or Rosenberg’s Rules of Order.

5. Conduct of Public Meetings

Members shall prepare themselves for public issues, listen courteously and attentively to all public discussions before the body and focus on the business at hand. They shall refrain from interrupting other speakers, making personal comments not germane to the business of the body or otherwise interfering with the orderly conduct of meetings.

6. Decisions Based on Merit

Members shall base their decisions on the merits and substance of the matter at hand, rather than on unrelated considerations.

7. Communication

Members shall publicly share substantive information that is relevant to a matter under consideration by the Council or boards and commissions, which they may have received from sources outside of the public decision making process.

8. Conflict of Interest

In order to assure their independence and impartiality on behalf of the common good, members shall not use their official positions to influence government decisions in which they have a material financial interest or where they have an organizational responsibility or personal relationship, which may give the appearance of a conflict of interest.

In accordance with the law, members shall disclose investments, interests in real property, source of income, and gifts, and they shall abstain from participating in deliberations and decision-making

where conflicts may exist.

9. Gifts and Favors

Members shall refrain from accepting any gifts, favors or promises of future benefits which might compromise their independence of judgment or action or give the appearance of being compromised.

10. Confidential Information

Members shall respect the confidentiality of information concerning property, personnel or affairs of the City. They shall neither disclose confidential information without proper legal authorization, nor use such information to advance their personal, financial or private interests.

11. Use of Public Resources

Members shall not use public resources unavailable to the public in general, such as City staff time, equipment, supplies or facilities, for private gain or personal purposes.

12. Representation of Public Interests

In keeping with their role as stewards of the public interest, members shall not appear on behalf of the private interests of third parties before the Council or any board, commission or proceeding of the City, nor shall members of boards and commissions appear before their own bodies or before the Council on behalf of the private interests of third parties on matters related to the areas of service of their bodies.

13. Advocacy

Members shall represent the official policies or positions of the City Council, board or commission to the best of their ability when designated as delegates for this purpose. The official City position will be determined by a majority vote of the City Council. When presenting their individual opinions and positions, members shall explicitly state they do not represent their body or the City of South Pasadena, nor will they allow inference that they do.

14. Policy Role of Members

Members shall respect and adhere to the council-manager structure of South Pasadena City government as outlined by the South Pasadena Municipal Code. In this structure, the City Council determines the policies of the City, with the advice, information and analysis provided by the public, boards and commissions and City staff.

Except as provided by the City Municipal Code, members shall not interfere with the administrative functions of the City or the professional duties of City staff, nor shall they impair the ability of staff to implement Council policy decisions.

15. Independence of Boards and Commissions

Because of the value of the independent advice of boards and commissions to the public decision-making process, members of Council shall refrain from using their position to unduly influence the deliberations or outcomes of board and commission proceedings.

16. Positive Work Place Environment

Members shall support the maintenance of a positive and constructive work place for the City employees and for the citizens and businesses dealing with the City. Members shall recognize their

special role in dealings with City employees to in no way create the perception of inappropriate direction to staff.

CONDUCT

The Conduct section of the City's Code of Ethics and Conduct is designed to describe the manner in which Councilmembers and board and commission members should treat one another, City staff, constituents, and others they come into contact with in representing the City of South Pasadena.

The constant and consistent theme through all of the conduct guidelines is "respect." Councilmembers experience huge workloads and tremendous stress in making decisions that could impact thousands of lives. Despite these pressures, elected and appointed officials are called upon to exhibit appropriate behavior at all times. Demonstrating respect for each individual through words and actions is the touchstone that can help guide Councilmembers and board and commission members to do the right thing in even the most difficult situations.

1. Elected and Appointed Officials' Conduct with One Another in Public Meetings

Elected and appointed officials are composed of individuals with a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, all have chosen to serve in public office in order to preserve and protect the present and the future of the community. In all cases, this common goal should be acknowledged even though individuals may "agree to disagree" on contentious issues.

(a) Use formal titles

Elected and appointed officials should refer to one another formally during public meetings, such as Mayor, Mayor Pro Tem, Chair, Commissioner or Councilmember followed by the individual's last name.

(b) Practice civility and decorum in discussions and debate

Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of a free democracy in action. This does not allow, however, public officials to make belligerent, personal, impertinent, slanderous, threatening, abusive, or disparaging comments. No shouting or physical actions that could be construed as threatening will be tolerated.

(c) Honor the role of the chair in maintaining order

It is the responsibility of the chair to keep the comments of members on track during public meetings. Members should honor efforts by the chair to focus discussion on current agenda items. If there is disagreement about the agenda or the chair's actions, those objections should be voiced politely and with reason, following procedures outlined in parliamentary procedure.

(d) Avoid personal comments that could offend other members

If a member is personally offended by the remarks of another member, the offended member should make notes of the actual words used and call for a "point of personal privilege" that challenges the other member to justify or apologize for the language used. The chair will maintain control of this

discussion.

(e) Demonstrate effective problem-solving approaches

Members have a public stage to show how individuals with disparate points of view can find common ground and seek a compromise that benefits the community as a whole.

2. Elected and Appointed Officials' Conduct with the Public in Public Meetings

Making the public feel welcome is an important part of the democratic process. No signs of partiality, prejudice or disrespect should be evident on the part of individual members toward an individual participating in a public forum. Every effort should be made to be fair and impartial in listening to public testimony.

(a) Be welcoming to speakers and treat them with care and gentleness.

While questions of clarification may be asked, the official's primary role during public testimony is to listen.

(b) Be fair and equitable in allocating public hearing time to individual speakers.

The chair will determine and announce limits on speakers at the start of the public hearing process.

(c) Practice active listening

It is disconcerting to speakers to have members not look at them when they are speaking. It is fine to look down at documents or to make notes, but reading for a long period of time or gazing around the room gives the appearance of disinterest. Members shall try to be conscious of facial expressions, and avoid those that could be interpreted as "smirking," disbelief, anger or boredom.

(d) Maintain an open mind

Members of the public deserve an opportunity to influence the thinking of elected and appointed officials.

(e) Ask for clarification, but avoid debate and argument with the public

Only the chair – not individual members – can interrupt a speaker during a presentation. However, a member can ask the chair for a point of order if the speaker is off the topic or exhibiting behavior or language the member finds disturbing.

3. Elected and Appointed Officials' Conduct with City Staff

Governance of a City relies on the cooperative efforts of elected officials, who set policy, appointed officials who advise the elected, and City staff who implement and administer the Council's policies. Therefore, every effort should be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.

(a) Treat all staff as professionals

Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Poor behavior towards staff is not acceptable.

(b) Do not disrupt City staff from their jobs

Elected and appointed officials should not disrupt City staff while they are in meetings, on the phone, or engrossed in performing their job functions in order to have their individual needs met. Do not attend City staff meetings unless requested by staff – even if the elected or appointed

official does not say anything, his or her presence implies support, shows partiality, may intimidate staff, and hampers staff's ability to do their job objectively.

(c) Never publicly criticize an individual employee

Elected and appointed officials should never express concerns about the performance of a City employee in public, to the employee directly, or to the employee's manager. Comments about staff performance should only be made to the City Manager through private correspondence or conversation. Appointed officials should make their comments regarding staff to the City Manager or the Mayor.

(d) Do not get involved in administrative functions

Elected and appointed officials acting in their individual capacity must not attempt to influence City staff on the making of appointments, awarding of contracts, selecting of consultants, processing of development applications, or granting of City licenses and permits. The City Manager has the sole authority to direct staff, and is responsible for appropriate allocation of staff resources. The City Manager may request input from an elected official who possesses relevant professional experience, special knowledge or training which would be useful in development of requests for proposals or the selection process.

(e) Do not solicit political support from staff

Elected and appointed officials should not solicit any type of political support, or support for non-profits or affiliate organizations (financial contributions, display of posters or lawn signs, name on support list, etc.) from City staff. City staff may, as private citizens with constitutional rights, support political candidates but all such activities must be done away from the workplace.

(f) No Individual Attorney-Client Relationship

Members shall not seek to establish an individual attorney-client relationship with the City Attorney, including his or her staff and attorneys contracted to work on behalf of the City. The City Attorney represents the City and not individual members seeking advice on matters which are inconsistent with City policy. While the City Attorney may provide conflict of interest advise and other legal advice to members regarding matters within their subject matter jurisdiction and consistent with City policy, Members who consult with the City Attorney in any other capacity cannot enjoy or establish an attorney-client relationship with the attorney to the exclusion of other members of the legislative body.

4. Council Conduct with Boards, Committees and Commissions

The City has established several Boards, Committees and Commissions as a means of gathering more community input. Citizens who serve on Boards, Committees and Commissions become more involved in government and serve as advisors to the City Council. They are a valuable resource to the City's leadership and should be treated with appreciation and respect.

(a) If attending a Board, Committee or Commission meeting, be careful to only express personal opinions

Councilmembers may attend any Board, Committee or Commission meeting, which are always open to any member of the public. However, they should be sensitive to the way their participation – especially if it is on behalf of an individual, business or developer – could be viewed as unfairly affecting the process. Any public comments by a Councilmember at a Board, Committee or Commission meeting should be clearly made as individual opinion and not a representation of the feelings of the entire City Council.

(b) Limit contact with Board, Committee and Commission members to questions of clarification

It is inappropriate for a Councilmember to contact a Board, Committee or Commission member to lobby on behalf of an individual, business, or developer, and vice versa. It is acceptable for Councilmembers to contact Board, Committee or Commission members in order to clarify a position taken by the Board, Committee or Commission.

(c) Respect that Boards, Committees and Commissions serve the community, not individual Councilmembers

The City Council appoints individuals to serve on Boards, Committees and Commissions, and it is the responsibility of Boards, Committees and Commissions to follow policy established by the Council. But Board, Committee and Commission members do not report to individual Councilmembers, nor should Councilmembers feel they have the power or right to threaten Board, Committee and Commission members with removal if they disagree about an issue. Appointment and re-appointment to a Board, Committee or Commission should be based on such criteria as expertise, ability to work with staff and the public, and commitment to fulfilling official duties. A Board, Committee or Commission appointment should not be used as a political "reward."

(d) Be respectful of diverse opinions

A primary role of Boards, Committees and Commissions is to represent many points of view in the community and to provide the Council with advice based on a full spectrum of concerns and perspectives. Councilmembers may have a closer working relationship with some individuals serving on Boards, Committees and Commissions, but must be fair and respectful of all citizens serving on Boards, Committees and Commissions.

(e) Keep political support away from public forums

Board, Committee and Commission members may offer political support to a Councilmember, but not in a public forum while conducting official duties. Conversely, Councilmembers may support Board, Committee and Commission members who are running for office, but not in an official forum in their capacity as a Councilmember.

SANCTIONS

(a) Acknowledgement of Code of Ethics and Conduct

Councilmembers who do not sign an acknowledgement that they have read and understand the Code of Ethics and Conduct shall be ineligible for intergovernmental assignments or Council subcommittees. Board, Committee and Commission members who do not sign an acknowledgement that they have read and understand the Code of Ethics and Conduct are not eligible to hold office.

(b) Ethics Training for Local Officials

Councilmembers, City Treasurer, City Clerk, Board, Committee and Commission Members who are out of compliance with State or City mandated requirements for ethics training shall not represent the City on intergovernmental assignments or Council subcommittees, and may be subject to sanctions.

(c) Behavior and Conduct

The South Pasadena Code of Ethics and Conduct expresses standards of ethical conduct expected for

members of the South Pasadena City Council, Boards, Committees and Commissions. Members themselves have the primary responsibility to assure that ethical standards are understood and met, and that the public can continue to have full confidence in the integrity of government. The chairs of Boards, Committees and Commissions and the Mayor and Council have the additional responsibility to intervene when actions of members that appear to be in violation of the Code of Ethics and Conduct are brought to their attention.

Councilmembers:

Councilmembers who intentionally and repeatedly do not follow proper conduct may be reprimanded or formally censured by the Council, lose seniority or committee assignments (both within the City of South Pasadena and with intergovernmental agencies) or other privileges afforded by the Council. Serious infractions of the Code of Ethics or Code of Conduct could lead to other sanctions as deemed appropriate by the Council.

Individual Councilmembers should point out to the offending Councilmember perceived infractions of the Code of Ethics and Conduct. If the offenses continue, then the matter should be referred to the Mayor in private. If the Mayor is the individual whose actions are being questioned, then the matter should be referred to the Mayor Pro Tem. It is the responsibility of the Mayor (or Mayor Pro Tem) to initiate action if a Councilmember's behavior may warrant sanction. If no action is taken by the Mayor (or Mayor Pro Tem), then the alleged violation(s) can be brought up with the full Council.

Board, Committee and Commission Members:

Counseling, verbal reprimands and written warnings may be administered by the Mayor to Board, Committee and Commission members failing to comply with City policy. These lower levels of sanctions shall be kept private to the degree allowed by law. Copies of all written reprimands administered by the Mayor shall be distributed in memo format to the chair of the respective Board, Committee or Commission, the City Clerk, the City Attorney, the City Manager, and the City Council.

The City Council may impose sanctions on Board, Committee and Commission members whose conduct does not comply with the City's policies, up to and including removal from office. Any form of discipline imposed by Council shall be determined by a majority vote of at least a quorum of the Council at a noticed public meeting and such action shall be preceded by a Report to Council with supporting documentation.

When deemed warranted, the Mayor or majority of Council may call for an investigation of Board, Committee or Commission member conduct. Also, should the City Manager or City Attorney believe an investigation is warranted, they shall confer with the Mayor or Council. The Mayor or Council shall ask the City Manager to investigate the allegation and report the findings.

These sanctions are alternatives to any other remedy that might otherwise be available to remedy conduct that violates this code or state or federal law. In order to protect and preserve good government, any individual including the City Manager and the City Attorney after complying with Rule 3-600(B) of the State Bar Rules of Professional Conduct, who knows or reasonably believes a member acts or intends or refuses to act in a manner that is or may be a violation of law reasonably imputable to the organization, or in a manner which is likely to result in substantial injury to the organization, may report the violation to the appropriate governmental authorities.

IMPLEMENTATION

The Code of Ethics and Conduct is intended to be self-enforcing, and is an expression of standards of conduct for members expected by the City. It therefore becomes most effective when members are thoroughly familiar with it and embrace its provisions.

For this reason, ethical standards shall be included in the regular orientations for candidates for City Council, applicants to boards and commissions, and newly elected and appointed officials. Members entering office shall sign a statement acknowledging they have read and understand the Code of Ethics and Conduct. In addition, the Code of Ethics shall be reviewed annually by the City Council, boards and commissions, and the City Council shall consider recommendations from boards and commissions and update as necessary.

COMPLIANCE AND ENFORCEMENT

The chairs of boards and commissions and the Mayor have the additional responsibility to intervene when actions of members that appear to be in violation of the Code of Ethics and Conduct are brought to their attention. The City Council may impose sanctions on members whose conduct does not comply with the City's ethical standards, such as reprimand, formal censure, loss of seniority or committee assignment, or budget restriction. Under the City's Municipal Code, the City Council may also remove members of boards and commissions from office. A violation of this Code of Ethics and Conduct shall not be considered as a basis for challenging the validity of a council, board or commission decision.

I affirm that I have read and understand the City of South Pasadena Code of Ethics and Conduct for Elected and Appointed Officials.

Signature

Date

*Adopted on August 21, 2019
City Council Resolution No. XXXX*

ATTACHMENT 2
**Ordinance No. 2333 Establishing of Code of Ethics
and Conduct Municipal Code Section**

ORDINANCE NO. 2333

**AN ORDINANCE OF THE CITY THE CITY COUNCIL
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,
AMENDING CHAPTER 2 ("ADMINISTRATION"),
ARTICLE II ("OFFICERS AND EMPLOYEES
GENERALLY") BY ADDING A NEW SECTION 2.7-5
("CODE OF ETHICS AND CONDUCT") TO THE CITY OF
SOUTH PASADENA MUNICIPAL CODE APPLICABLE TO
ALL ELECTED AND APPOINTED CITY OFFICIALS**

**THE PEOPLE OF THE CITY OF SOUTH PASADENA DO HEREBY ORDAIN AS
FOLLOWS:**

SECTION 1. A new Section 2.7-5 ("Code of Ethics and Conduct") is added to Article II ("Officers and Employees Generally") of Chapter 2 ("Administration") of the South Pasadena Municipal Code to read as follows:

"2.7-5 Code of Ethics and Conduct

The proper operation of democratic government requires that public officials and public employees be independent, impartial, responsible, and accountable to the people; that governmental decisions and policy be made in the proper channels of the governmental structure; that public office and public employment not be used for personal gain; and that the citizens and businesses of the City have confidence in the integrity of their government.


In furtherance of these principles, the City Council may establish by resolution a code of ethics and conduct which shall be applicable to all city officials, including the mayor, city councilmembers, commissions and all other public officials, whether appointed or elected."

SECTION 2. CEQA. This ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code Regs. Section 15378(b)(5) as an agency organizational or administrative activity that produces no physical changes to the environment.

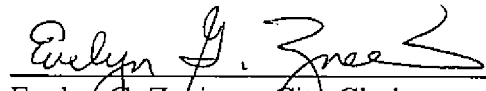
SECTION 3. EFFECTIVE DATE. This ordinance shall take effect thirty days after its passage and adoption pursuant to California Government Code Section 36937.

SECTION 4. This ordinance shall take effect thirty (30) days after its final passage and within fifteen (15) days after its passage, the City Clerk of the City of South Pasadena shall certify to the passage and adoption of this ordinance and to its approval by the Mayor and City Council and shall cause the same to be published in a newspaper in the manner required by law.

PASSED, APPROVED AND ADOPTED ON this 2nd day of October, 2019.


Marina Khubestrian, M.D., Mayor

ATTEST:


Evelyn G. Zneimer, City Clerk
(seal)

APPROVED AS TO FORM:


Teresa L. Highsmith, City Attorney

Date: 11/5/19

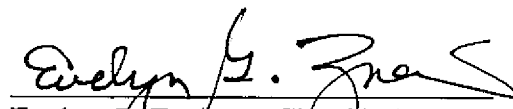
I HEREBY CERTIFY the foregoing resolution was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 2nd day of October, 2019, by the following vote:

AYES: Cacciotti, Mahmud, Schneider, Joe, and Mayor Khubestrian

NOES: None

ABSENT: None

ABSTAINED: None


Evelyn G. Zneimer, City Clerk
(seal)

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From: [Yvonne LaRose](#)
To: [City Council Public Comment](#)
Subject: Black History Month
Date: Wednesday, February 15, 2023 12:01:56 PM

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

It's significant that today, the start of the third week of Black History Month, that sentencing of mass shooter and domestic terrorist Payton Gendron, admitted White supremacist and racist, with calculation, killed 10 Black shoppers in a Buffalo, NY grocery store last year. As Judge Susan Eagan [pronounced his sentence](#) yesterday, she said

"There can be no mercy for you, no understanding, no second chances. The damage you have caused is too great and the *people you have hurt are too valuable to this community*. You will never see the light of day as a free man ever again." (Emphasis supplied)

The Seldom mentioned or considered as part of Black History:

The [founders of the National Association for the Advancement of Colored People, NAACP](#), was comprised of Whites, Blacks, and Jews who were focused on improving the status, state, integrity, and humanity of people of color. Their names: W.E.B. DuBois, Ida B. Wells, Archibald Grimke, Henry Moskowitz, Mary White Ovington, Oswald Garrison Villard, William English Walling, Mary Church Terrell, Florence Kelley, and Charles Edward Russell.

According to the site [statement of purpose](#),

"To ensure the political, educational, social, and economic equality of rights of all persons and to eliminate racial hatred and racial discrimination."

According to the [NAACP Image Awards](#) site, "From its inception, the [NAACP](#) has been at the forefront of the struggle to ensure fair employment and positive images in the entertainment industry."

Also Seldom Remembered

There were more than just Martin Luther King, Jr. and Rosa Parks at the heart of the Civil Rights Movement. There were also the [People of the Movement](#). There were the [Top Ten Leaders](#) of the March on Washington that included names such as John Lewis, Medgar Evers, Walter Reuther, James Farmer, Roy Wilkins, Whitney Young, Ralph Abernathy, Rabbi Joachim Prinz, A. Phillip Randolph.

~~~~

Biddy Bridget Mason (1815-1891)

She was born into slavery and "given" as a wedding gift to a Mormon couple in Mississippi named Robert and Rebecca Smith. In 1847 at age 32, Biddy Mason was forced to walk from Mississippi to Utah tending to the cattle behind her master's 300-wagon caravan. She "walked" from Mississippi to Utah. That's 1,618.9 miles!

After four years in Salt Lake City, Smith took the group to a new Mormon settlement in San Bernardino, California in search of gold. Biddy Mason soon discovered that the California State Constitution made slavery illegal, and that her master's had a plan to move them all to Texas to avoid freeing them.

With the help of some freed Blacks she had befriended, she and the other Slaves attempted to run away to Los Angeles, but they were intercepted by Smith and brought back. However, when he tried to leave the state with his family and Slaves, a local posse prevented them from leaving.

Biddy had Robert Smith brought into court on a writ of habeas corpus. She, her daughters, and the ten other Slaves were held in jail for their own safety to protect them from an angry and violent pro-slavery mob until the Judge heard the case and granted their freedom.

Now free, Mason and her three daughters moved to Los Angeles where they worked and saved enough money to buy a house at 331 Spring Street in downtown Los Angeles. Biddy was employed as a Nurse, Midwife, and Domestic Servant. She was one of the first Black women to own land in the city of Los Angeles.

She had the intelligence and boldness to use part of her land as a temporary resting place for horses and carriages, and people visiting town paid money in exchange for the space. That particular area was considered the first "parking lot" in Los Angeles.

Knowing what it meant to be oppressed and friendless, Biddy Mason immediately began a philanthropic career by opening her home to the poor, hungry, and homeless. Through hard work, saving, and investing carefully, she was able to purchase large amounts of real estate including a commercial building, which provided her with enough income to help build schools, hospitals, and churches.

Her financial fortunes continued to increase until she accumulated a fortune of almost \$300,000. In today's money, that would be \$6M. Her most noted accomplishment is the founding of the First AME Church in California. In her tireless work she was known for saying "If you hold your hand closed, nothing good can come in. The open hand gives in abundance; even as it receives."

Biddy Bridget Mason died on January 15, 1891 at the age of 76. On March 27, 1988, ninety one years after her death, a special occasion event was given in her honor by members of the church she helped founded. Mayor Tom Bradley was among the dignitaries in attendance. Black women are legendary.

Black History is American History.  
[#BlackHistoryMonth](#)





[Image Description: A black and white photograph of Bidley Bridget Mason looking to the camera].

from Facebook, [Have A Gay Day](#)

~~~~~

[The Progressive Project](#)

See the young man in this picture? He was 18 years old when he was taken at the train station in Mobile, Alabama in 1952. There is \$1.50 in his pocket. In that bag by his foot are two changed of clothes. (And if his mama was anything like most other mamas in the south, probably some sandwiches and other snacks). He was on his way to Indiana to take a job. He was going to play baseball for the Indy clowns of the Negro Leagues. Apparently, he was pretty good at it. He played for the Milwaukee Braves for 2 seasons, and for the Milwaukee Braves, before later following them to Atlanta. Eventually, he was the last Negro League player to be on a major league roster.

He still hangs around the baseball world. At the moment, he's the senior Vice President of the Atlanta Braves. Even though the team has changed stadium twice since then, his retired number, 44, still hangs on the outfield wall of the old Atlanta- Fulton County stadium near where he belted a homer to break Babe Ruth's all time record (which he held for 33 years). Happy (belated) 85th birthday to "Hammerin'" Hank Aaron (Born February 5, 1934).



~~~~

### **Lost to Posterity**

Because of political wranglings and corporate attempts to be politically correct, the woman who was the image for [Aunt Jemima](#) ([Nancy Green](#)) maple syrup, first became a modernized image, and finally completely erased from the product line.



A.D. - 77

~~~~~

Not American but Worthy of Note



In 1579, a tall African man now known by the name of [Yasuke](#) arrived in Japan and became the first (and only) Black samurai.

His height was roughly 6 feet, 2 inches and he had skin like charcoal historians said. The average height of a Japanese man in 1900 was 5 feet 2, so Yasuke would have towered over most Japanese people in the 16th century.

In 1579, his arrival in Kyoto, the capital at the time, caused such a sensation that people climbed over one another to get a glimpse of him with some being crushed to death, according to historian Lawrence Winkler.

In 1581, the Bantu man alongside Alessandro Valignano set foot in Japan's capital and booming metropolis, also serving as headquarters of the then daimyo, Oda Nobunaga. It was here that accounts describe multitudes of people from far and wide coming to witness the tall, strong dark-skinned man.

So strange was this man, that natives likened him to a deity and once broke down the gates of a missionary church to catch a glimpse of him. Oda Nobunaga upon seeing this wonder of a man himself ordered that he strip down and wash off the dark ink from his skin convinced that he might have been a missionary playing a joke. Much to his surprise, no ink came off nor did the skin tone change in the slightest.

Genuinely intrigued by this enigma of a man, Nobunaga quickly took an appreciation for his integrity, but of more significance perhaps, his physical prowess even openly stating that he possessed the strength of ten men! It was with this royal decree that he entered into Nobunaga's service effectively becoming a samurai. The mysterious Bantu man was even accorded a name, Yasuke!

Other than a piece of land and a house upon it, Yasuke like other samurai was afforded two blades. A long sword- (katana) and another short ceremonial sword. In addition to this, logic dictated that Yasuke learnt how to not only fight but carry himself honourably and diligently as thousands of samurai did before him.

Through the ranks, he rose quickly and soon enough, Yasuke was Oda Nobunaga's closest companion. He even had the rare privilege of dining with the warlord, a fete even native allies were yet to achieve.

It is recorded, Yasuke rode with Oda Nobunaga into battle and unleashed his ferocity and raw strength, laying waste to all who stood up to the tower of a man relative to the native's short build. More to this, it was customary for Yasuke to ride alongside his master Oda Nobunaga as he surveyed newly conquered lands. A position of envy to many of Oda's subordinates. Worse still, occupied by a foreigner. This was not going to last long, however.

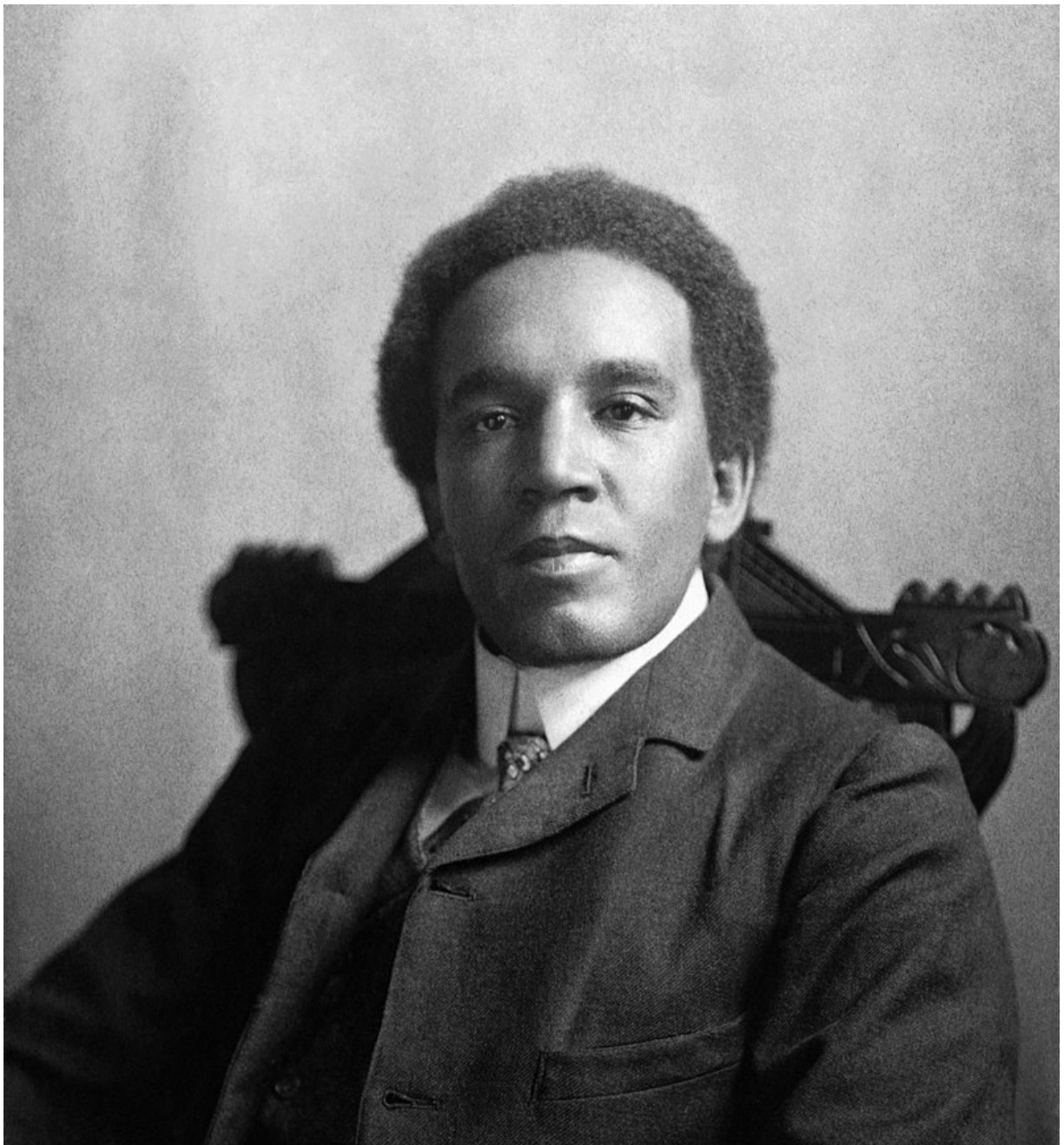
In 1582, on their way back from conquest, Nobunaga famously split his army and sent them forward to scour the area for new lands to conquer while he rested in a temple nearby. A surprise attack was launched and Nobunaga's remaining forces were quickly overpowered. To avoid capture, Nobunaga was forced to commit ritualistic suicide (sepeku).

In the midst of the chaos, Yasuke saw the futility of the fight and rode ahead to secure Nobunaga's heir, Oda Nobutada. Despite waging a defence fit for the history books and Yasuke's best efforts, the young prince's armies were overwhelmed and he too was forced to commit sepeku.

In the same breath, Yasuke was captured and was quickly banished owing to him not being native Japanese. He was sent back to the Jesuit Missionary Church where he was met with his former master Alessandro Valignano who sang and rejoiced upon his safe return.

Much about him remains a mystery: it's unconfirmed which country in Africa he hailed from, and there is no verifiable record of his life after 1582. But Yasuke was a real-life Black samurai who served under Oda Nobunaga, one of the most important feudal lords in Japanese history and a unifier of the country.

In music, [Samuel Coleridge-Taylor](#) (19th Century composer) deserves recognition for his astounding American acceptance and successes, especially in relation to [Hiawatha's Wedding Feast](#).





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### **Professional Organizations**

Acceptance into [professional universities and organizations](#), as well as being accepted as a credentialed professional, has been an historic challenge. This type of racial barrier is one of the reasons so many ethnic fraternal organizations have been formed.

Still, the progress of achieving standing in the professions, without regard to ethnicity, is a testament that fortitude and conviction are the payload for both those who forged the path as well as those who maintain the standards or raise the bar for outstanding standards and accomplishments.

Looking to military and political service, one name (among many) is a testament to perseverance and holding the bar of excellence high is that of [Colin Powell](#)

[Voting Rights Act](#) empowered not just Negroes. It provided suffrage (the right to vote) to women as well as Native Americans (the First People) who lacked that right to have a voice in how they are governed.

~~~~

STEM

Among the names in [science and engineering](#) that need to be recognized are Katherine Johnson, Mary Jackson, and Dorothy Vaughan.

~~~~

[William Edward Burghardt Du Bois](#) was an American sociologist, socialist, historian, and Pan-Africanist civil rights activist. Born in Great Barrington, Massachusetts, Du Bois grew up in a relatively tolerant and integrated community.

one of the foremost Black intellectuals of his era. The first Black American to earn a PhD from Harvard University, Du Bois published widely before becoming NAACP's director of publicity and research and starting the organization's official journal, The Crisis, in 1910.

His notable works include *The Philadelphia Negro: A Social Study* (1899), the first case study of a black community in the United States; a collection of essays, *The Souls of Black Folk* (1903), a landmark of African American literature; *Black Reconstruction* (1935); and the autobiography *Dusk of Dawn* (1940).

~~~~~

Only in America - [John Lewis](#) added a significant impact on America both as a Civil Rights demonstrator as well as a politician.

[Atlanta's Example in the Civil Rights Movement | Georgia Stories](#)

The Civil Rights movement brought great upheaval and change to American society. Southern cities like Birmingham and Nashville witnessed violence and hostility, but Atlanta was different. The end of segregation in Atlanta began in 1960 with a series of sit-ins and boycotts organized by students from the six colleges in the Atlanta University complex. Atlanta students decided to challenge segregation and focus on integrating public accommodations and lunch counters.

~~~~~

We should take heart from listening to not only Mary McLeod Bethune's speech, [The Torch Is Ours](#), as well as keep in mind the words regarding purposefulness of endeavors from [George Bernard Shaw](#), and purposefully move forward with endeavors to be meaningfully inclusive and appreciative of the wealth we have because of our diversity - in skills, knowledge, and ethnicity.

Viva

Yvonne LaRose

Organization Development Consultant: Diversity/Title VII, Harassment, Ethics



**From:** [Yvonne LaRose](#)  
**To:** [City Council Public Comment](#)  
**Subject:** Public Comment: The Invisible 3% Recognition  
**Date:** Wednesday, February 15, 2023 8:37:24 PM

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**CAUTION:** This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.


It's highly commendable that we had a proclamation this month that acknowledges February as Black History Month.

It's interesting that the city now has at least three (3) Sundown Town proclamations that were made over the last six (6) years. Also interesting is that each essentially says the same thing. Another interesting aspect of these proclamations is that they were made in such a short span of time, between 2016 to 2022, when federal [Civil Rights](#) legislation providing for equality and access was enacted in 1964.

Does this timeline mean it's taken more than 50 years for South Pasadena to accept the fact that racial discrimination here is not acceptable? Having been a homeowner in South Pasadena since 1981, that assumption doesn't hold water. Are at least three reminders needed to reinforce the words on paper? Where's the force and effect of the proclamations, the motivation to actualize the words on paper?

If these Sundown Town proclamations are legitimate statements about the philosophy of the City, let us begin to see members of *The Invisible 3%* acknowledged for their contributions to this City. Let us see members of *The Invisible 3%* represented in leadership positions in various of our local organizations and government bodies. Let us celebrate the effectiveness and successes of those organizations (that accrue to the economic and social attractiveness of the City) because of Their *Invisible 3%* leadership.

I'm tired of being sick and tired. When Black History Month 2024 arrives, let part of the celebration include acknowledgement of notable Black South Pasadenians and their contributions to our *society*.

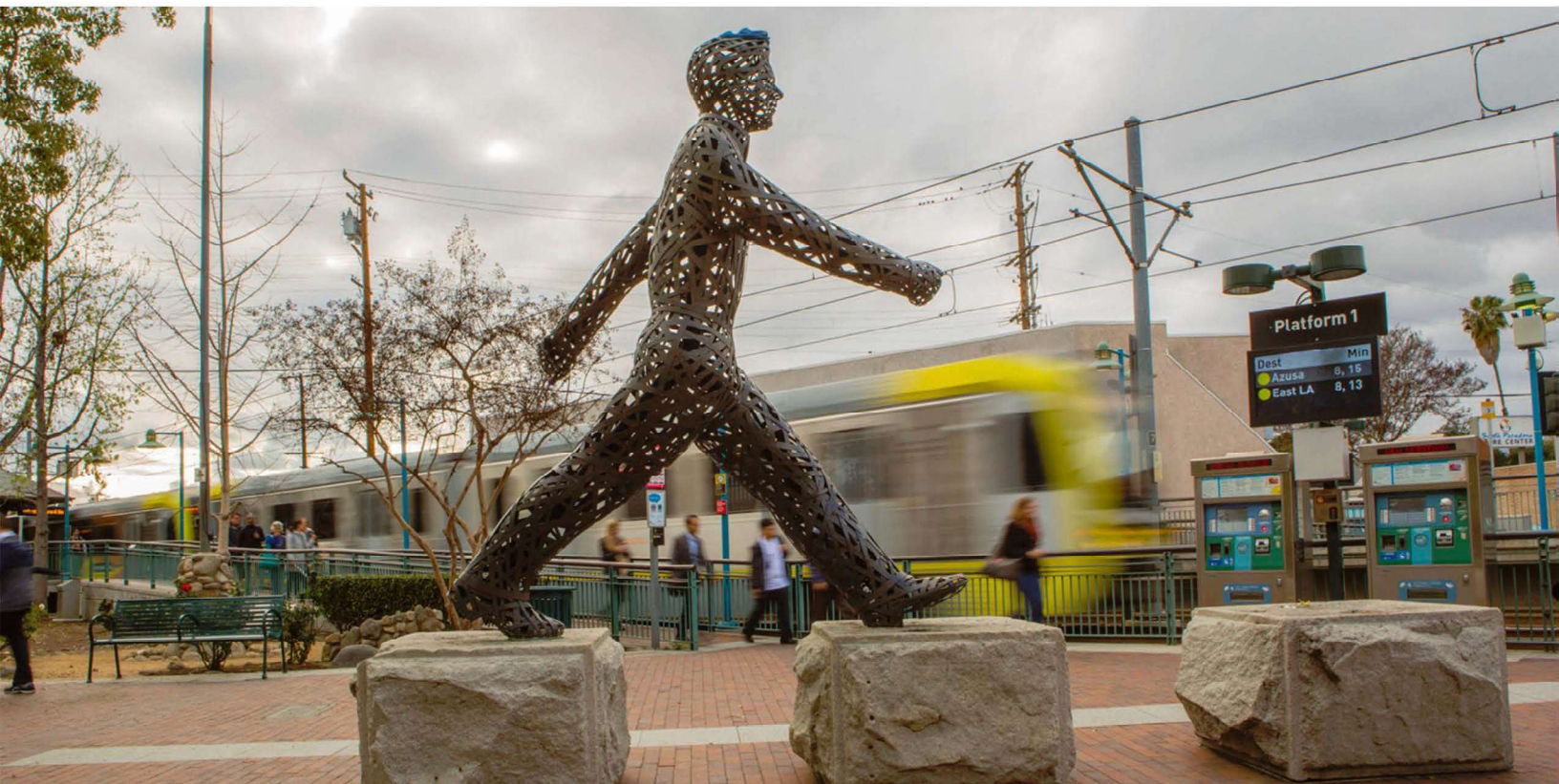
Viva  
Yvonne LaRose  
Organization Development Consultant: Diversity/Title VII, Harassment, Ethics  


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# CITY OF SOUTH PASADENA, CALIFORNIA Annual Comprehensive Financial Report



Fiscal Year Ending June 30, 2022

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CITY OF SOUTH PASADENA, CALIFORNIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2022

PREPARED BY: FINANCE DEPARTMENT



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## CITY OF SOUTH PASADENA

CITY CLERK DIVISION

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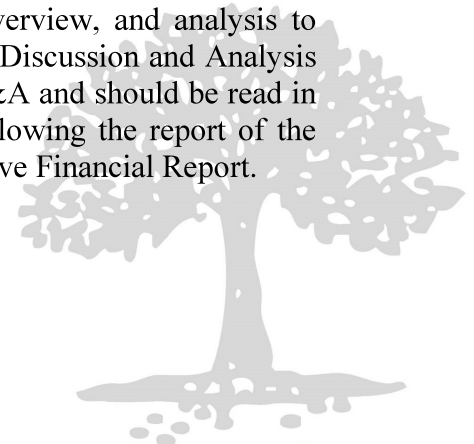
February 8, 2023

Honorable Mayor and Members of the City Council,

We proudly present to you the City of South Pasadena's Annual Comprehensive Financial Report. This report consists of management's representations concerning the finances of the City of South Pasadena. It was prepared by the Finance Department in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. We believe that the data presented is complete and reliable in all material respects; that it is presented in a manner designed to fairly set forth the financial activity of the City's various funds; and that all disclosures necessary to enable the reader to gain a good understanding of the City's financial activity have been included.

The City's financial statements have been audited by Rogers, Anderson, Malody & Scott, LLP, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of South Pasadena's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the Annual Comprehensive Financial Report.



## Profile of the City of South Pasadena

South Pasadena is located approximately six miles northeast of downtown Los Angeles, on the west side of the San Gabriel Valley between the cities of Pasadena, San Marino, Los Angeles and Alhambra and has a population of 25,992. Founded in 1874 by the Indiana Colony, the City



encompasses 3.44 square miles and was incorporated as a General Law city of the State of California on March 2, 1888. South Pasadena is noted for its beautiful, historically significant homes on tree-lined streets, for its excellent public schools and for a small-town atmosphere in the midst of greater Los Angeles.

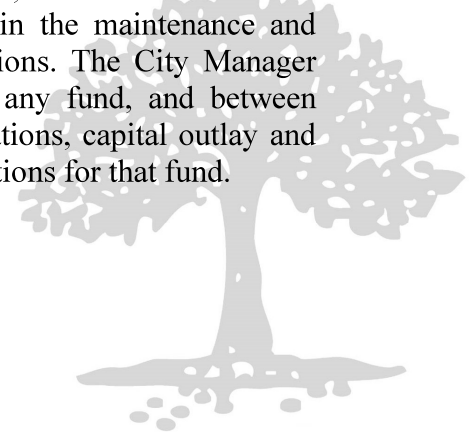
The City is a full-service general law city that operates under the Council-Manager form of government. The City Council consists of five members elected to four-year

staggered terms of office. The Mayor is selected from the City Council members and serves a one-year term. The City's other elected official is the City Treasurer who serves a four-year term of office.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; sewer services; water utility; refuse collection; public improvements; planning and zoning; recreational activities and cultural events; library operations; and general administrative and support services.

The annual budget serves as the foundation of the City's financial planning and control. The City Council holds public hearings and adopts an annual budget resolution by July 1 of each fiscal year for all funds and account groups. The City Council may modify appropriations with majority approval. The budgets are adopted and presented on a basis consistent with generally accepted accounting principles.

Changes in budget appropriations at the fund level during the year must be approved by the City Council. The legal level of expenditures is controlled at the fund level, and appropriations lapse at the end of each fiscal year unless encumbered for re-appropriation by the City Council in the following fiscal year. Department heads may, without Council approval, amend individual line items within their departments, within the same fund and only within the maintenance and operations portions of the budget, without increasing total appropriations. The City Manager may, without Council approval, amend individual line items within any fund, and between divisions and programs, in the personnel costs, maintenance and operations, capital outlay and capital projects portions of the budget without increasing total appropriations for that fund.



## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the City of South Pasadena operates.

### **Local Economy**

For FY 2021/2022, the City of South Pasadena, the greater Los Angeles region and the State of California, were disbursed their share of State and Local Fiscal Recovery Fund. The American Rescue Plan Act of 2021 created a one-time federal grant for pandemic response and recovery, a total of \$6,059,235 in unrestricted funds to the City. These now-unrestricted funds provide an opportunity for the City Council and community to provide input on priority and opportunity uses of the funds to alleviate and shift some reliance on the General Fund. City Council has taken the time to have fruitful discussion and provided direction to staff on the allocation and prioritization of the funds.

The four largest sources of revenue to the City's General Fund are property taxes, utility taxes, sales taxes, current services, and licenses and permits. Property taxes make up 52% of all General Fund revenues. Utility users' taxes (UUT) make up 11% of total General Fund revenues. Sales taxes make up 16% of total General Fund revenues. Current services make up 12% of the total General Fund revenues.

The top four revenue sources represent approximately 91% of the General Fund revenues. Historical data indicates that the City's General Fund is becoming more reliant on these four revenue sources.

Property taxes are the City's largest tax source and make up more than half of the General Fund revenues. The City of South Pasadena experienced a net taxable value increase of 3.8% for the 2021/22 tax roll, which was slightly more than the increase experienced countywide at 3.6%. The assessed value increase between 2020/21 and 2021/22 was \$207 million. Current median home prices, in many regions, are at or above the pre-recession peak values. In the past year, the number of sales has generally increased and growth in median sale prices has increased in most areas of the State. Despite the moderation of growth in sale prices and somewhat lower mortgage rates, affordability remains a concern. Moreover, the City's proximity to commercial and cultural developments in greater Pasadena offers our residents distinct lifestyle advantages. South Pasadena's assessed values and property taxes are expected to continue performing strongly as the general economy improves. Data also show that South Pasadena retains \$0.24 for every dollar of property tax collected within the City, while new cities receive only \$0.05 for every dollar of property tax collected within their city boundaries.



The Utility Users Tax (UUT) is the second largest revenue source for the General Fund, at \$3.4 million. At the November 2020 local elections, the South Pasadena community voted to extend the UUT indefinitely, while retaining the amount at the current 7.5%. For this renewal, the usual sunset clause was removed.

Overall, South Pasadena remains in satisfactory financial condition due to these stable revenue streams and also is able to keep revenues in line with expenditures by its perpetual adoption of the fee schedule which is tied to changes in the Consumer Price Index (CPI).

## **Risk Management**

The City is partially self-insured for general liability insurance. The City is responsible for claims up to \$100,000 per occurrence. Coverage in excess of the City's self-insured retention is purchased through CSAC Excess Insurance Authority (CSAC-EIA) up to the statutory limits. The City participates in a risk pool for general liability insurance through CSAC-EIA above the City's self-insured retention of \$100,000 up to \$4,900,000 per occurrence. Reinsurance coverage in excess of the pool layer up to \$25,000,000 is purchased through CSAC-EIA. CSAC-EIA retains responsibility for claims in excess of each member's self-insured retention.

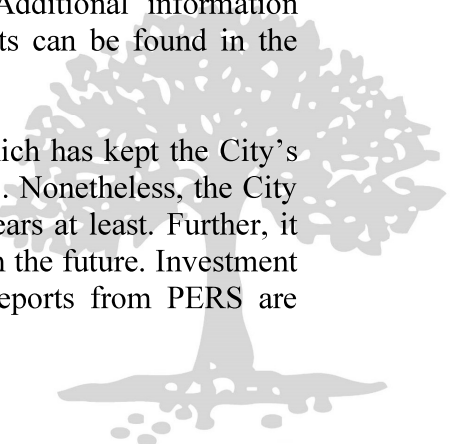
For workers' compensation insurance, the City is covered from the first dollar. Coverage between \$1 and \$5,000,000 is provided by CSAC-EIA. CSAC-EIA participates in an excess pool which provides coverage from \$5,000,000 to \$50,000,000 and purchases excess insurance above \$50,000,000 to the statutory limit.

Workers' compensation and general liability claims incurred prior to July 1, 2014 were covered through the City's participation in the California Joint Powers Insurance Authority.

## **Pension Obligations**

The City contributes to the California Public Employees Retirement System, an agent multiple-employer public employee defined benefit pension plan for its employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the pension plan as determined by its funding policy. The unfunded actuarial liability associated with employee services rendered to date is being systematically funded over a set number of years for safety and miscellaneous employees as part of the annual required contribution calculated by the actuary. The City also provides postretirement health care benefits for certain retired employees. Most recently, the City updated its retiree health contribution to the PEMHCA minimum. Additional information regarding the City's pension arrangements and post-employment benefits can be found in the notes to the financial statements.

South Pasadena offers one of the lowest pension formula (2% at 55) which has kept the City's liability low compared to Cities who pay 2.5%, 2.7% or even 3.0% at 55. Nonetheless, the City must bear the cost of increased payments to PERS over the next five years at least. Further, it remains unclear how PERS management decisions will impact the City in the future. Investment funds continue to perform far below projected returns and actuarial reports from PERS are



several years behind. Many cities are hiring independent actuarial consultants to better analyze future impacts and plan appropriate strategies.

For FY 2021-22, the City established an Other Post-Employment Benefits Trust Fund with monies from the sale of the City's cell tower lease contract and Designated General Fund Reserves. The investments held in the trust funds will pay for some of the future benefits cost.

### **Retiree Health**

This past year, the City reduced its retiree healthcare contribution for all employees hired after July 1, 2020. The future retirees will receive a medical benefit equal only to the Public Employees' Medical and Hospital Care Act (PEMHCA) minimum. By reducing the retiree health contributions for future employees from \$625/month to the PEMHCA minimum (currently \$149/month,) the City will see significant long-term savings and substantially reduce the City's unfunded liabilities.

### **Cash Management Policies and Practices**

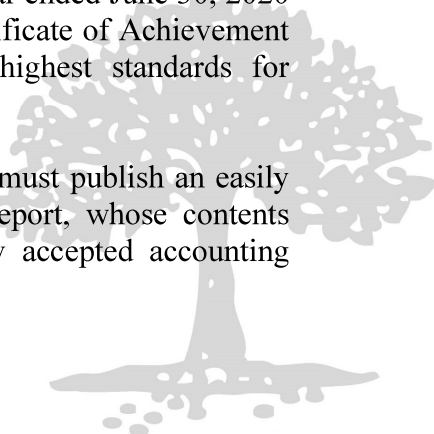
Cash temporarily idle during the year was invested in accordance with the City's approved Investment Policy. The policy affords a broad spectrum of investment opportunities, as long as the investment is deemed prudent and permissible under currently effective legislation of the State of California and other imposed restrictions. Criteria for selecting investments and the order of priority are: safety, liquidity and yield. The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus ensuring the investment of monies to fullest extent possible. Attempts are made to obtain the highest yields available as long as investments meet the criteria required for safety and liquidity.

Internal Controls. The management of the City is responsible for establishing and maintaining an internal control structure to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate account data is compiled for the preparation of financial statements, in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control structure should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and sound judgments by management.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) did not award a Certificate of Achievement for Excellence in Financial Reporting to the City of South Pasadena for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020 due to untimely filing of Financial Report and turnover of staff. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.



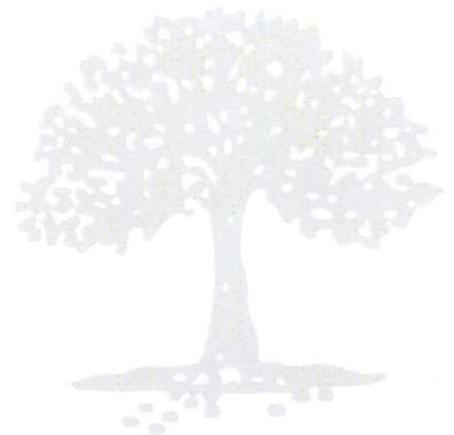
A Certificate of Achievement is valid for a period of one year only. The City of South Pasadena has received a Certificate of Achievement for the last 30 consecutive years (fiscal years ended 1987 through 2019). We believe our current report continues to conform to the Certificate of Achievement program requirements, and will again submit it to GFOA for award consideration.

The preparation and publication of this report is made possible through the dedication of the entire Finance Department staff. Finally, thanks are extended to the firm of Rogers, Anderson, Malody & Scott, LLP, for their contributions towards improving our financial reporting and year end processes.

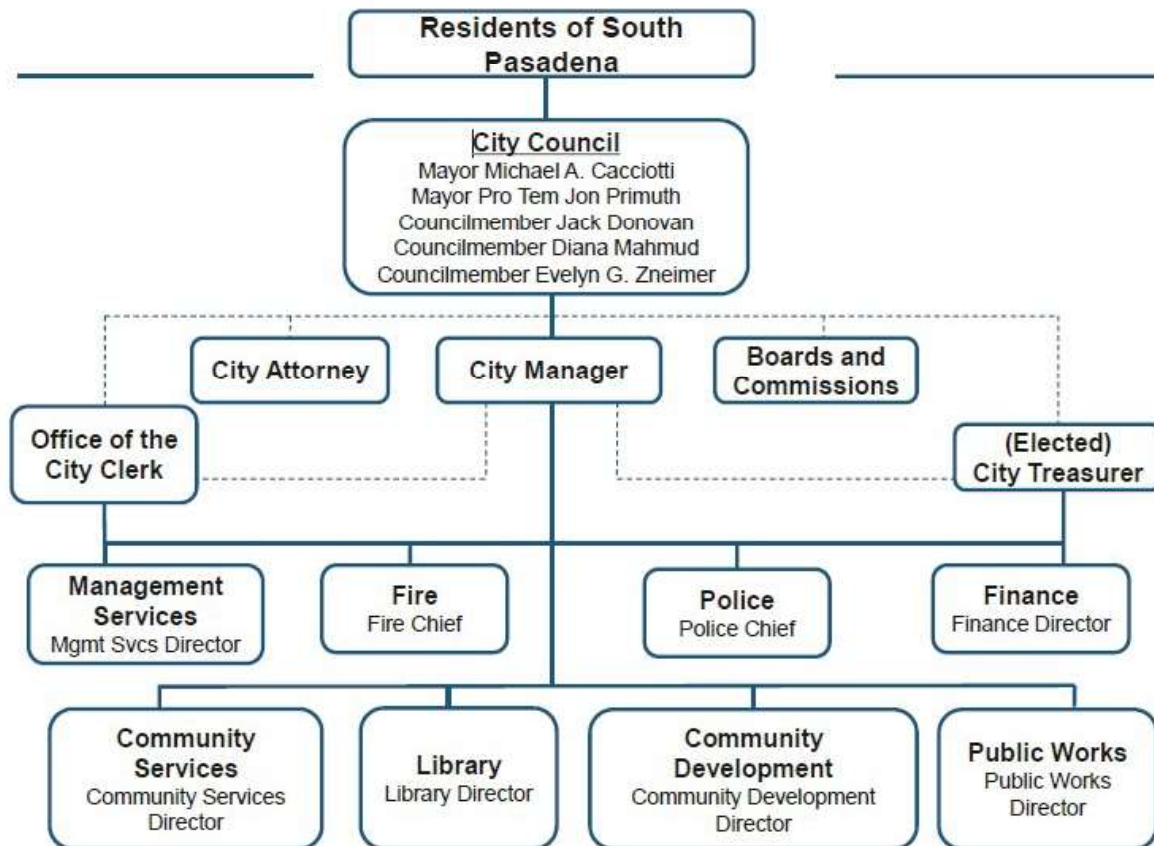
Respectfully submitted,



Arminé Chaparyan  
City Manager







**CITY OF SOUTH PASADENA, CALIFORNIA**

**OFFICIALS OF THE CITY OF SOUTH PASADENA**

**CITY COUNCIL**

Michael A. Cacciotti  
Mayor

Jon Primuth  
Mayor Pro Tempore

Jack Donovan  
Councilmember

Diana Mahmud  
Councilmember

Evelyn G. Zneimer  
Councilmember

**ADMINISTRATION AND DEPARTMENT HEADS**

|                                        |                       |
|----------------------------------------|-----------------------|
| City Manager                           | Arminé Chaparyan      |
| Chief City Clerk                       | Vacant                |
| City Treasurer                         | Gary E. Pia           |
| City Attorney                          | Andrew Jared          |
| Interim Director of Finance            | Kenneth Louie         |
| Director of Library, Arts, and Culture | Cathy Billings        |
| Police Chief                           | Brian Solinsky        |
| Director of Community Services         | Sheila Pautsch        |
| Fire Chief                             | Paul Riddle           |
| Director of Public Works               | Harold Ted Gerber     |
| Director of Community Development      | Angelica Frausto-Lupo |

## **FINANCIAL SECTION**

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CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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Jeffrey McKennan, CPA

#### **MEMBERS**

American Institute of  
Certified Public Accountants

PCPS The AICPA Alliance  
for CPA Firms

Governmental Audit  
Quality Center

California Society of  
Certified Public Accountants



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## *Independent Auditor's Report*

The Honorable City Council  
of the City of South Pasadena  
South Pasadena, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Pasadena, California (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Emphasis of matter***

As discussed in Note 1 to the financial statements, the City adopted provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information Included in the Annual Report***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Rogers, Anderson, Malachy & Scott, LLP.*

San Bernardino, California  
February 8, 2023



## CITY OF SOUTH PASADENA

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

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#### Management's Discussion and Analysis

As management of the City of South Pasadena, we offer readers of the City of South Pasadena's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

#### (A) Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$111,477,776. Unrestricted net position in an amount of \$5,007,368 is primarily due to the City recording the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, and information about the fiduciary net position of the City's CalPERS plans per GASB Statements No. 68 and 71 and 75.
- The City's total net position increased by \$16,841,928.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$39,682,789 an increase of \$992,859. Of this amount, \$16,615,541 or approximately 42% of total fund balances are available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$18,931,422, or 55% of the total General Fund Expenditures.
- The City's net investment capital assets decreased \$738,434 from the prior fiscal year.

#### (B) Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows/inflows of resources, and liabilities, with the difference between these items reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of South Pasadena is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, with the use of the accrual basis of accounting, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

## CITY OF SOUTH PASADENA

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

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**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of South Pasadena, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of South Pasadena maintains 38 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund for the purposes of this report. Data from the other 37 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these *non-major* governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of South Pasadena adopts an annual appropriated budget for its General Fund and each of its special revenue funds. A budgetary comparison statement has been provided for each governmental fund to demonstrate compliance with this budget. The budgetary comparison statement for the General Fund is located in the basic financial statements; the budgetary comparison statements for the non-major governmental funds are presented in the Additional Financial Information section of this report.

**Proprietary funds.** The City of South Pasadena maintains two types of proprietary funds: enterprise fund and internal service fund. The enterprise fund is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the operations for its water and sewer utilities, and the municipal golf course. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund is used to accumulate and allocate costs internally among the City's functions for general liability and workers' compensation insurance. Because the internal service operations benefit both governmental and business-type functions, they have been proportionally allocated and included within the governmental and business-like activities in the government-wide financial statements. Individual fund data for the internal service fund is provided in the form of combining statements in this report.

**Fiduciary funds.** The City of South Pasadena maintains one type of fiduciary fund, a private purpose trust fund. *Fiduciary funds* are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The City uses one type of fiduciary fund, a private purpose trust fund, to account for the assets and liabilities of the former Community Redevelopment Agency.

# CITY OF SOUTH PASADENA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found in notes to the financial statements.

The combining statements referred to earlier in connection with non-major governmental funds together with information are presented immediately following the notes to the financial statements.

### (C) Government-wide Financial Analysis.

Net position may serve as a useful indicator of a government's financial position. In the case of the City of South Pasadena, assets exceeded liabilities by \$111,477,776 at the close of the most recent fiscal year. This represents an increase of \$16,841,928 or 18% from the prior year, primarily due to an increase in unrestricted assets, which consists of investments. Capital Assets are by far the largest portion of the City's net position; \$92,696,276 or 83% reflects its investment in non-liquid capital assets (e.g. land, infrastructure, buildings, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

#### City of South Pasadena Net Position As of June 30, 2022 and 2021

|                                  | Governmental Activities |               | Business-Type Activities |               | Total          |               |
|----------------------------------|-------------------------|---------------|--------------------------|---------------|----------------|---------------|
|                                  | 2022                    | 2021          | 2022                     | 2021          | 2022           | 2021          |
| Current and other assets         | \$ 48,147,358           | \$ 43,101,331 | \$ 32,651,303            | \$ 20,028,678 | \$ 80,798,661  | \$ 63,130,009 |
| Capital assets, net              | 60,214,729              | 60,662,686    | 83,181,979               | 85,166,004    | 143,396,708    | 145,828,690   |
| Total assets                     | 108,362,087             | 103,764,017   | 115,833,282              | 105,194,682   | 224,195,369    | 208,958,699   |
| Deferred outflow of resources    | 17,238,038              | 12,342,964    | 6,454,058                | 6,039,225     | 23,692,096     | 18,382,189    |
| Long-term liabilities            | 41,192,563              | 58,104,665    | 58,215,895               | 61,210,771    | 99,408,458     | 119,315,436   |
| Other liabilities                | 9,754,672               | 4,858,626     | 4,070,213                | 4,188,395     | 13,824,885     | 9,047,021     |
| Total liabilities                | 50,947,235              | 62,963,291    | 62,286,108               | 65,399,166    | 113,233,343    | 128,362,457   |
| Deferred inflow of resources     | 21,247,803              | 3,236,341     | 1,928,543                | 380,725       | 23,176,346     | 3,617,066     |
| Net investment in capital assets | 60,214,729              | 60,662,686    | 32,481,547               | 32,772,024    | 92,696,276     | 93,434,710    |
| Restricted                       | 13,615,668              | 10,700,987    | 158,464                  | 1,158,268     | 13,774,132     | 11,859,255    |
| Unrestricted                     | (20,425,310)            | (21,837,814)  | 25,432,678               | 11,179,697    | 5,007,368      | (10,658,117)  |
| Total net position               | \$ 53,405,087           | \$ 49,525,859 | \$ 58,072,689            | \$ 45,109,989 | \$ 111,477,776 | \$ 94,635,848 |

The second portion of the City net position of \$13,774,132 represents special revenue resources that are subject to external restrictions on how they may be used. Unrestricted net position shows a positive balance of \$5,007,368.

# CITY OF SOUTH PASADENA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

The City's governmental current assets increased by \$5,046,027 and capital assets decreased by \$447,957. Current assets increased due to more cash on hand and capital assets decreased due to decrease spending on capital projects and current year depreciation.

The City's business-type current assets increased by \$12,622,625, due to proceeds from capital debt for capital spending water and sewer projects. The City reported a net decrease of \$1,984,025 in capital assets due to a decrease in spending on capital projects and current year depreciation.

### City of South Pasadena Change in Net Position For the Years Ended June 30, 2022 and 2021

|                                      | Governmental Activities |               | Business-Type Activities |               | Total          |               |
|--------------------------------------|-------------------------|---------------|--------------------------|---------------|----------------|---------------|
|                                      | 2022                    | 2021          | 2022                     | 2021          | 2022           | 2021          |
| Program revenues:                    |                         |               |                          |               |                |               |
| Charges for services                 | \$ 8,114,870            | \$ 5,375,188  | \$ 16,075,073            | \$ 15,898,361 | \$ 24,189,943  | \$ 21,273,549 |
| Operating contributions and grants   | 4,263,342               | 4,370,683     | -                        | 30,604        | 4,263,342      | 4,401,287     |
| Capital contributions and grants     | 923,772                 | 1,429,167     | -                        | -             | 923,772        | 1,429,167     |
| General revenues:                    |                         |               |                          |               |                |               |
| Property taxes                       | 17,906,070              | 16,772,602    | -                        | -             | 17,906,070     | 16,772,602    |
| Other taxes                          | 11,807,082              | 10,674,440    | -                        | -             | 11,807,082     | 10,674,440    |
| Use of money and property            | (466,697)               | 4,859,029     | (360,030)                | 62,447        | (826,727)      | 4,921,476     |
| Other                                | 266,540                 | 152,783       | 9,317,881                | 24,736        | 9,584,421      | 177,519       |
| Total revenues                       | 42,814,979              | 43,633,892    | 25,032,924               | 16,016,148    | 67,847,903     | 59,650,040    |
| Expenses:                            |                         |               |                          |               |                |               |
| General government                   | 10,995,232              | 8,193,683     | -                        | -             | 10,995,232     | 8,193,683     |
| Public safety                        | 16,504,092              | 19,452,587    | -                        | -             | 16,504,092     | 19,452,587    |
| Community development                | 2,672,653               | 1,861,097     | -                        | -             | 2,672,653      | 1,861,097     |
| Community services                   | 4,284,119               | 3,477,936     | -                        | -             | 4,284,119      | 3,477,936     |
| Public works                         | 4,479,655               | 3,661,617     | -                        | -             | 4,479,655      | 3,661,617     |
| Water                                | -                       | -             | 9,521,857                | 8,206,574     | 9,521,857      | 8,206,574     |
| Sewer                                | -                       | -             | 1,233,642                | 1,353,548     | 1,233,642      | 1,353,548     |
| Arroyo Seco Golf Course              | -                       | -             | 1,314,725                | 1,131,455     | 1,314,725      | 1,131,455     |
| Total expenses                       | 38,935,751              | 36,646,920    | 12,070,224               | 10,691,577    | 51,005,975     | 47,338,497    |
| Income before transfers              | 3,879,228               | 6,986,972     | 12,962,700               | 5,324,571     | 16,841,928     | 12,311,543    |
| Increase in net position             | 3,879,228               | 6,986,972     | 12,962,700               | 5,324,571     | 16,841,928     | 12,311,543    |
| Net position, beginning, as restated | 49,525,859              | 42,538,887    | 45,109,989               | 39,785,418    | 94,635,848     | 82,324,305    |
| Net position, ending                 | \$ 53,405,087           | \$ 49,525,859 | \$ 58,072,689            | \$ 45,109,989 | \$ 111,477,776 | \$ 94,635,848 |

### Governmental Activities

Governmental activities net position increased by \$3,879,228, due to an increase in charges for services and property taxes and a decrease in expenses, mainly in Public Safety.

## **CITY OF SOUTH PASADENA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022**

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#### **Business-type Activities**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but offers more detail in the form of a statement of cash flows. Unrestricted net position of the funds at the end of the fiscal year shows \$25,432,678. Total net position for these funds was \$58,072,689, an increase of \$12,962,700 (29%) over the prior year, due to increases in charges for services and a water settlement payment of \$9 million.

#### **(D) Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows and outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$39,682,789 an increase of \$992,859 from the prior fiscal year. Approximately 42% of fund balances constitute the unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either restricted for projects undertaken in the Special Revenue Funds (34%), committed by City Council action for specific purposes (24%), or represents net position that are non-spendable resources (0%).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$18,931,422, while the total fund balance reached \$24,672,171. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance represents 55% of General Fund expenditures, while the total fund balance represents 72% of that same amount.

The fund balance of the City's General Fund increased by \$316,552 in the current fiscal year. This represents an increase of 1% in fund balance from FY 2021. This was the result of overall increase in revenues, off-set by an overall increase in expenditures and Transfers Out.

#### **General Fund Budgetary Highlights**

The City adopts annual appropriated operating budgets for its governmental funds (General Fund, Special Revenue and Capital Projects Funds) and reports the results of operations on a budgetary comparison basis. The City also uses annual financial plans as a management tool for its enterprise funds, although the City does not report the results of these funds on a budgetary comparison basis.

In preparing its budgets, the City attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues to allow for expansion of existing programs. During the course of the year, the City Council amended the originally adopted budget for various additional programs.

## CITY OF SOUTH PASADENA

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

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The General Fund reflected a net total favorable budget variance of \$1,660,775 when comparing actual amounts to the final budget for the current fiscal year. This budget variance reflects a favorable variance in revenues of \$2,716,149 and an unfavorable variance in total expenditures of \$1,012,955, and a favorable variance in transfers out of \$1,367,581. The unfavorable variance is due to the City paying down the unfunded accrued liability.

#### Capital Asset and Debt Administration

**Capital assets.** The City's net investment in capital assets for its governmental activities and business-type activities as of June 30, 2022, amounts to \$60,214,729 and \$83,181,979 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings, park improvements, roadways, vehicles, computer equipment, furniture, other equipment, and construction in progress.

Additional information on the City's capital assets can be found in Note 3 in the Notes to Financial Statements section of this report.

**Long-term liabilities.** At the end of the current fiscal year, the City of South Pasadena had total liabilities outstanding related to governmental activities of \$41,279,661.

#### Governmental Activities Long-term Liabilities

|                               | <b>Governmental Activities</b> |                      |
|-------------------------------|--------------------------------|----------------------|
|                               | 2022                           | 2021                 |
| Employee compensated absences | \$ 870,984                     | \$ 863,279           |
| OPEB liability                | 15,571,526                     | 17,511,294           |
| Net pension liability         | 24,837,151                     | 39,816,420           |
| Total long-term liabilities   | <u>\$ 41,279,661</u>           | <u>\$ 58,190,993</u> |

The City's governmental activities long-term liabilities decreased during the current fiscal year primarily due to changes in the net pension and OPEB liabilities.

#### Business-Type Activities Long-term Liabilities

|                               | <b>Business-Type Activities</b> |                      |
|-------------------------------|---------------------------------|----------------------|
|                               | 2022                            | 2021                 |
| Employee compensated absences | \$ 68,919                       | \$ 88,987            |
| Loans payable                 | 14,334,339                      | 14,740,387           |
| Bonds payable                 | 41,014,581                      | 42,560,331           |
| OPEB liability                | 2,409,451                       | 2,709,600            |
| Net pension liability         | 2,174,432                       | 2,836,413            |
| Total long-term liabilities   | <u>\$ 60,001,722</u>            | <u>\$ 62,935,718</u> |

Business-type activities long-term liabilities decreased \$2,933,996 during the current fiscal year due to principal debt service payments on the 2012 State Loan, 2013 Water Revenue Bonds, and 2016 Water Revenue Bonds. Further details on long-term debt can be found in Notes 6 through 9 in the Notes to Financial Statements section of this report.

## **CITY OF SOUTH PASADENA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022**

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#### **Economic Factors and Next Year's Budget**

- The Cell Tower Revenue of \$4.3m was used to pay down the current CalPERS unfunded liability as well as setting up an Other Post-Employment Benefits (OPEB) trust. This will result in a net annual savings of \$275,000 when comparing the 7% value of a PERS deposit to the current 0.9% earned in LAIF.
- The City received \$6m in State and Local Recovery Funds, \$3m paid in July 2021 and \$3m paid in July 2022. The purpose of these funds are to provide funding to meet local needs including COVID-19 response, replace public sector revenue loss, premium pay for essential workers, improving facilities to ensure health and safety, increase usage of outdoor spaces as well as investing in public infrastructure and broadband.

During the 2022 fiscal year, unassigned fund balance in the General Fund remained substantial at \$18,931,422. Per City Council direction, the fiscal year 2021 Budget includes no General Fund funding for new capital improvement projects. Only carry-over projects or capital projects funded from restricted funds are included in the current budget. It remains the intention of City management not to use fund balance reserves for purposes of meeting costs of operations.

#### **Requests for Information**

This financial report is designed to provide a general overview of the financial position of the City of South Pasadena for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Finance Department, [FinanceDepartment@southpasadenaca.gov](mailto:FinanceDepartment@southpasadenaca.gov), 626.403.7250, or by U.S. mail: Finance Department, 1414 Mission Street, South Pasadena, CA 91030.

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CITY OF SOUTH PASADENA

STATEMENT OF NET POSITION  
JUNE 30, 2022

|                                                 | Governmental<br>Activities | Business-Type<br>Activities | Total          |
|-------------------------------------------------|----------------------------|-----------------------------|----------------|
| <b>Assets</b>                                   |                            |                             |                |
| Cash and investments                            | \$ 43,173,923              | \$ 30,451,298               | \$ 73,625,221  |
| Receivables:                                    |                            |                             |                |
| Accounts                                        | 311,545                    | 1,753,527                   | 2,065,072      |
| Taxes                                           | 2,553,090                  | -                           | 2,553,090      |
| Accrued interest                                | 14,619                     | 14,547                      | 29,166         |
| Leases                                          | 753,225                    | -                           | 753,225        |
| Internal balances                               | 5,493                      | (5,493)                     | -              |
| Due from other governments                      | 184,655                    | -                           | 184,655        |
| Inventories                                     | 9,299                      | 278,960                     | 288,259        |
| Restricted assets:                              |                            |                             |                |
| Cash and investments                            | 1,141,509                  | 158,464                     | 1,299,973      |
| Capital assets, not being depreciated           | 5,604,233                  | 436,868                     | 6,041,101      |
| Capital assets, net of accumulated depreciation | 54,610,496                 | 82,745,111                  | 137,355,607    |
| Total assets                                    | 108,362,087                | 115,833,282                 | 224,195,369    |
| <b>Deferred outflows of resources</b>           |                            |                             |                |
| Deferred loss on debt refunding                 | -                          | 4,648,488                   | 4,648,488      |
| Pension related                                 | 12,826,162                 | 1,122,900                   | 13,949,062     |
| Other post-employment benefits related          | 4,411,876                  | 682,670                     | 5,094,546      |
| Total deferred outflows of resources            | 17,238,038                 | 6,454,058                   | 23,692,096     |
| <b>Liabilities</b>                              |                            |                             |                |
| Accounts payable                                | 2,158,418                  | 1,268,310                   | 3,426,728      |
| Accrued liabilities                             | 819,403                    | 55,290                      | 874,693        |
| Accrued interest                                | -                          | 589,875                     | 589,875        |
| Deposits payable                                | 1,363,135                  | 370,911                     | 1,734,046      |
| Unearned revenue                                | 3,029,618                  | -                           | 3,029,618      |
| Claims and judgments payable                    | 2,297,000                  | -                           | 2,297,000      |
| Compensated absences, due within one year       | 87,098                     | 6,892                       | 93,990         |
| Loans payable, due within one year              | -                          | 413,935                     | 413,935        |
| Bonds payable, due within one year              | -                          | 1,365,000                   | 1,365,000      |
| Noncurrent liabilities:                         |                            |                             |                |
| Bonds payable, due in more than one year        | -                          | 53,569,985                  | 53,569,985     |
| Compensated absences, due in more than one year | 783,886                    | 62,027                      | 845,913        |
| Net pension liability                           | 24,837,151                 | 2,174,432                   | 27,011,583     |
| Other post-employment benefits liability        | 15,571,526                 | 2,409,451                   | 17,980,977     |
| Total liabilities                               | 50,947,235                 | 62,286,108                  | 113,233,343    |
| <b>Deferred inflows of resources</b>            |                            |                             |                |
| Pension related                                 | 18,504,349                 | 1,620,010                   | 20,124,359     |
| Other post-employment benefits related          | 1,993,945                  | 308,533                     | 2,302,478      |
| Lease related                                   | 749,509                    | -                           | 749,509        |
| Total deferred inflows of resources             | 21,247,803                 | 1,928,543                   | 23,176,346     |
| <b>Net position</b>                             |                            |                             |                |
| Net investment in capital assets                | 60,214,729                 | 32,481,547                  | 92,696,276     |
| Restricted for:                                 |                            |                             |                |
| Investments in Section 115 Trust                | 1,141,509                  | -                           | 1,141,509      |
| Community Development projects                  | 1,237,379                  | -                           | 1,237,379      |
| Public Safety                                   | 622,346                    | -                           | 622,346        |
| Community Services                              | 2,663,951                  | -                           | 2,663,951      |
| Public Works                                    | 6,863,811                  | -                           | 6,863,811      |
| Capital projects                                | 1,086,672                  | -                           | 1,086,672      |
| Debt service                                    | -                          | 158,464                     | 158,464        |
| Unrestricted                                    | (20,425,310)               | 25,432,678                  | 5,007,368      |
| Total net position                              | \$ 53,405,087              | \$ 58,072,689               | \$ 111,477,776 |

The accompanying notes are an integral part of these financial statements.

**CITY OF SOUTH PASADENA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

| Functions/Programs             | Expenses             | Program Revenues           |                                          |                                        |
|--------------------------------|----------------------|----------------------------|------------------------------------------|----------------------------------------|
|                                |                      | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |
| Governmental activities:       |                      |                            |                                          |                                        |
| General government             | \$ 10,995,232        | \$ 3,993,078               | \$ 693,911                               | \$ -                                   |
| Public safety                  | 16,504,092           | 1,465,821                  | 220,950                                  | -                                      |
| Community development          | 2,672,653            | 16,976                     | 40,093                                   | -                                      |
| Community services             | 4,284,119            | 813,361                    | 1,212,540                                | -                                      |
| Public works                   | 4,479,655            | 1,825,634                  | 2,095,848                                | 923,772                                |
| Total governmental activities  | <u>38,935,751</u>    | <u>8,114,870</u>           | <u>4,263,342</u>                         | <u>923,772</u>                         |
| Business-type activities:      |                      |                            |                                          |                                        |
| Water                          | 9,521,857            | 12,484,238                 | -                                        | -                                      |
| Sewer                          | 1,233,642            | 2,200,532                  | -                                        | -                                      |
| Arroyo Seco Golf Course        | 1,314,725            | 1,390,303                  | -                                        | -                                      |
| Total business-type activities | <u>12,070,224</u>    | <u>16,075,073</u>          | <u>-</u>                                 | <u>-</u>                               |
| Total Primary Government       | <u>\$ 51,005,975</u> | <u>\$ 24,189,943</u>       | <u>\$ 4,263,342</u>                      | <u>\$ 923,772</u>                      |

General revenues:

Taxes:

Property taxes

Sales taxes

Franchise taxes

Business license taxes

Utility users tax

Other taxes

Use of money and property

Other

Total general revenues and transfers

Change in Net Position

Net Position, beginning, as restated (Note 15)

Net Position, ending

The accompanying notes are an integral part of these financial statements.

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Net (Expense) Revenue and Changes in Net Position

| <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>          |
|------------------------------------|-------------------------------------|-----------------------|
| \$ (6,308,243)                     | \$ -                                | \$ (6,308,243)        |
| (14,817,321)                       | -                                   | (14,817,321)          |
| (2,615,584)                        | -                                   | (2,615,584)           |
| (2,258,218)                        | -                                   | (2,258,218)           |
| 365,599                            | -                                   | 365,599               |
| <u>(25,633,767)</u>                | <u>-</u>                            | <u>(25,633,767)</u>   |
| -                                  | 2,962,381                           | 2,962,381             |
| -                                  | 966,890                             | 966,890               |
| -                                  | 75,578                              | 75,578                |
| <u>-</u>                           | <u>4,004,849</u>                    | <u>4,004,849</u>      |
| <u>(25,633,767)</u>                | <u>4,004,849</u>                    | <u>(21,628,918)</u>   |
| 17,906,070                         | -                                   | 17,906,070            |
| 6,096,613                          | -                                   | 6,096,613             |
| 1,027,468                          | -                                   | 1,027,468             |
| 386,891                            | -                                   | 386,891               |
| 3,875,268                          | -                                   | 3,875,268             |
| 420,842                            | -                                   | 420,842               |
| (466,697)                          | (360,030)                           | (826,727)             |
| 266,540                            | 9,317,881                           | 9,584,421             |
| <u>29,512,995</u>                  | <u>8,957,851</u>                    | <u>38,470,846</u>     |
| 3,879,228                          | 12,962,700                          | 16,841,928            |
| <u>49,525,859</u>                  | <u>45,109,989</u>                   | <u>94,635,848</u>     |
| <u>\$ 53,405,087</u>               | <u>\$ 58,072,689</u>                | <u>\$ 111,477,776</u> |

The accompanying notes are an integral part of these financial statements.

**CITY OF SOUTH PASADENA**

**BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2022**

|                                                                          | General<br>Fund      | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------------------|----------------------|-----------------------------------|--------------------------------|
| <b>ASSETS</b>                                                            |                      |                                   |                                |
| Pooled cash and investments                                              | \$ 25,129,947        | \$ 17,691,899                     | \$ 42,821,846                  |
| Restricted:                                                              |                      |                                   |                                |
| Cash and investments                                                     | 1,141,509            | -                                 | 1,141,509                      |
| Receivables:                                                             |                      |                                   |                                |
| Accounts                                                                 | 281,267              | 30,278                            | 311,545                        |
| Taxes                                                                    | 2,516,653            | 36,437                            | 2,553,090                      |
| Accrued interest                                                         | 2,272                | 12,347                            | 14,619                         |
| Leases                                                                   | 753,225              | -                                 | 753,225                        |
| Due from other governments                                               | 1,922                | 182,733                           | 184,655                        |
| Due from other funds                                                     | 2,019,756            | -                                 | 2,019,756                      |
| Inventories                                                              | 9,299                | -                                 | 9,299                          |
| <b>Total assets</b>                                                      | <b>\$ 31,855,850</b> | <b>\$ 17,953,694</b>              | <b>\$ 49,809,544</b>           |
| <b>LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                      |                                   |                                |
| <b>Liabilities:</b>                                                      |                      |                                   |                                |
| Accounts payable                                                         | \$ 1,253,718         | \$ 897,109                        | \$ 2,150,827                   |
| Accrued liabilities                                                      | 797,590              | 21,813                            | 819,403                        |
| Deposits payable                                                         | 1,353,244            | 9,891                             | 1,363,135                      |
| Due to other funds                                                       | -                    | 2,014,263                         | 2,014,263                      |
| Unearned revenue                                                         | 3,029,618            | -                                 | 3,029,618                      |
| <b>Total liabilities</b>                                                 | <b>6,434,170</b>     | <b>2,943,076</b>                  | <b>9,377,246</b>               |
| <b>Deferred Inflows of Resources:</b>                                    |                      |                                   |                                |
| Lease related                                                            | 749,509              | -                                 | 749,509                        |
| <b>Fund Balances:</b>                                                    |                      |                                   |                                |
| Nonspendable:                                                            |                      |                                   |                                |
| Inventories                                                              | 9,299                | -                                 | 9,299                          |
| Restricted for:                                                          |                      |                                   |                                |
| OPEB trust                                                               | 1,141,509            | -                                 | 1,141,509                      |
| Community development projects                                           | -                    | 1,237,379                         | 1,237,379                      |
| Public safety - police                                                   | -                    | 622,346                           | 622,346                        |
| Community services                                                       | -                    | 2,663,951                         | 2,663,951                      |
| Public works - streets and roads                                         | -                    | 6,769,802                         | 6,769,802                      |
| Capital projects                                                         | -                    | 1,086,672                         | 1,086,672                      |
| Public works - street lighting                                           | -                    | 94,009                            | 94,009                         |
| Committed to:                                                            |                      |                                   |                                |
| Capital projects                                                         | -                    | 4,852,340                         | 4,852,340                      |
| Arroyo Golf Course Facility                                              | 600,000              | -                                 | 600,000                        |
| CalTrans Vacant Lot Purchases                                            | 392,000              | -                                 | 392,000                        |
| Legal Services Reserve                                                   | 500,000              | -                                 | 500,000                        |
| Library Expansion                                                        | 200,000              | -                                 | 200,000                        |
| Maintenance Yard/Community Center Reserve                                | 267,067              | -                                 | 267,067                        |
| Renewable Energy Sources                                                 | 700,000              | -                                 | 700,000                        |
| Stormwater Reserve                                                       | 600,000              | -                                 | 600,000                        |
| Library Park Drainage Reserve                                            | 22,000               | -                                 | 22,000                         |
| Financial Sustainability Reserve                                         | 900,000              | -                                 | 900,000                        |
| Slater Reimbursement Reserve                                             | 345,876              | -                                 | 345,876                        |
| Assigned to:                                                             |                      |                                   |                                |
| Stables CIP Reserve                                                      | 62,998               | -                                 | 62,998                         |
| Unassigned                                                               | 18,931,422           | (2,315,881)                       | 16,615,541                     |
| <b>Total fund balances</b>                                               | <b>24,672,171</b>    | <b>15,010,618</b>                 | <b>39,682,789</b>              |
| <b>Total liabilities deferred inflows of resources and fund balances</b> | <b>\$ 31,855,850</b> | <b>\$ 17,953,694</b>              | <b>\$ 49,809,544</b>           |

The accompanying notes are an integral part of these financial statements.

**CITY OF SOUTH PASADENA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

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|                                                                                                                                                                                            |                     |               |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------|--------------------|
| Fund balances of governmental funds                                                                                                                                                        |                     | \$ 39,682,789 |                    |
| Amounts reported for governmental activities in the statement of net position are different because:                                                                                       |                     |               |                    |
| Capital assets net of depreciation have not been included as financial resources of the governmental funds.                                                                                |                     |               | 60,214,729         |
| Deferred outflows and inflows of resources related to pensions and other post-employment benefits liabilities have not been reported in the governmental funds.                            |                     |               |                    |
| Pension related deferred outflows of resources                                                                                                                                             | \$ 12,826,162       |               |                    |
| Pension related deferred inflows of resources                                                                                                                                              | (18,504,349)        |               |                    |
| Total other post-employment benefits related deferred outflows of resources                                                                                                                | 4,411,876           |               |                    |
| Total other post-employment benefits related deferred inflows of resources                                                                                                                 | <u>(1,993,945)</u>  |               | (3,260,256)        |
| Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.                                                                        |                     |               |                    |
| Compensated absences                                                                                                                                                                       | (870,984)           |               |                    |
| Net pension liability                                                                                                                                                                      | (24,837,151)        |               |                    |
| Total other post-employment benefits liability                                                                                                                                             | <u>(15,571,526)</u> |               | (41,279,661)       |
| Internal service funds are used to charge the cost of activities to individual funds. The assets and liabilities are included in governmental activities in the statement of net position. |                     |               | <u>(1,952,514)</u> |
| Net position of governmental activities                                                                                                                                                    |                     | \$ 53,405,087 |                    |

The accompanying notes are an integral part of these financial statements.

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**CITY OF SOUTH PASADENA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                                              | General<br>Fund      | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|----------------------|-----------------------------------|--------------------------------|
| <b>Revenues</b>                                              |                      |                                   |                                |
| Taxes                                                        | \$ 29,531,707        | \$ 2,085,174                      | \$ 31,616,881                  |
| Assessments                                                  | -                    | 898,450                           | 898,450                        |
| Licenses and permits                                         | 814,081              | 38,650                            | 852,731                        |
| Intergovernmental                                            | 175,212              | 1,744,635                         | 1,919,847                      |
| Charges for services                                         | 4,082,853            | 206,492                           | 4,289,345                      |
| Use of money and property                                    | (478,837)            | 12,140                            | (466,697)                      |
| Fines and forfeitures                                        | 52,291               | -                                 | 52,291                         |
| Miscellaneous                                                | 491,476              | 45,792                            | 537,268                        |
| Total revenues                                               | <u>34,668,783</u>    | <u>5,031,333</u>                  | <u>39,700,116</u>              |
| <b>Expenditures</b>                                          |                      |                                   |                                |
| Current:                                                     |                      |                                   |                                |
| General government                                           | 7,012,269            | 131,943                           | 7,144,212                      |
| Public safety                                                | 19,146,076           | 71,082                            | 19,217,158                     |
| Community development                                        | 2,672,281            | 372                               | 2,672,653                      |
| Community services                                           | 3,178,805            | 628,147                           | 3,806,952                      |
| Public works                                                 | 2,112,342            | 2,303,703                         | 4,416,045                      |
| Capital outlay                                               | 99,758               | 1,350,479                         | 1,450,237                      |
| Total expenditures                                           | <u>34,221,531</u>    | <u>4,485,726</u>                  | <u>38,707,257</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>447,252</u>       | <u>545,607</u>                    | <u>992,859</u>                 |
| <b>Other Financing Sources (Uses)</b>                        |                      |                                   |                                |
| Transfers in                                                 | -                    | 130,700                           | 130,700                        |
| Transfers out                                                | (130,700)            | -                                 | (130,700)                      |
| Total other financing sources (uses)                         | <u>(130,700)</u>     | <u>130,700</u>                    | <u>-</u>                       |
| Net change in fund balance                                   | 316,552              | 676,307                           | 992,859                        |
| Fund Balances, beginning, as restated (Note 15)              | <u>24,355,619</u>    | <u>14,334,311</u>                 | <u>38,689,930</u>              |
| Fund Balances, ending                                        | <u>\$ 24,672,171</u> | <u>\$ 15,010,618</u>              | <u>\$ 39,682,789</u>           |

The accompanying notes are an integral part of these financial statements.

**CITY OF SOUTH PASADENA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

---

Net changes in fund balances - total governmental funds \$ 992,859

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:

|                                                                |                    |           |
|----------------------------------------------------------------|--------------------|-----------|
| Capital asset expenditures, net of deletions of capital assets | \$ 842,593         |           |
| Depreciation expense, net of deletions of capital assets       | <u>(1,290,550)</u> | (447,957) |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

|                                                               |                  |           |
|---------------------------------------------------------------|------------------|-----------|
| Change in compensated absences                                | (7,705)          |           |
| Changes in pension related items                              | 1,428,385        |           |
| Changes in total other post-employment benefits related items | <u>3,123,773</u> | 4,544,453 |

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is included in the statement of activities.

(1,210,127)

Changes in net position of governmental activities

\$ 3,879,228

The accompanying notes are an integral part of these financial statements.



CITY OF SOUTH PASADENA

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2022

|                                                | Business-Type Activities - Enterprise Funds |              |                            |               | Governmental<br>Activities -<br>Internal Service<br>Fund |
|------------------------------------------------|---------------------------------------------|--------------|----------------------------|---------------|----------------------------------------------------------|
|                                                | Water                                       | Sewer        | Arroyo Seco<br>Golf Course | Total         |                                                          |
| <b>ASSETS</b>                                  |                                             |              |                            |               |                                                          |
| Current assets:                                |                                             |              |                            |               |                                                          |
| Cash and investments                           | \$ 22,283,251                               | \$ 6,800,474 | \$ 1,367,573               | \$ 30,451,298 | \$ 352,077                                               |
| Receivables:                                   |                                             |              |                            |               |                                                          |
| Accounts                                       | 1,498,051                                   | 255,476      | -                          | 1,753,527     | -                                                        |
| Accrued interest                               | 13,329                                      | 1,218        | -                          | 14,547        | -                                                        |
| Inventories                                    | 256,222                                     | -            | 22,738                     | 278,960       | -                                                        |
| Restricted:                                    |                                             |              |                            |               |                                                          |
| Cash and investments with fiscal agent         | 158,464                                     | -            | -                          | 158,464       | -                                                        |
| Total current assets                           | 24,209,317                                  | 7,057,168    | 1,390,311                  | 32,656,796    | 352,077                                                  |
| Noncurrent assets:                             |                                             |              |                            |               |                                                          |
| Capital assets, not depreciated                | 303,091                                     | 133,777      | -                          | 436,868       | -                                                        |
| Capital assets, net of depreciation            | 72,914,189                                  | 9,093,300    | 737,622                    | 82,745,111    | -                                                        |
| Total noncurrent assets                        | 73,217,280                                  | 9,227,077    | 737,622                    | 83,181,979    | -                                                        |
| Total assets                                   | 97,426,597                                  | 16,284,245   | 2,127,933                  | 115,838,775   | 352,077                                                  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>          |                                             |              |                            |               |                                                          |
| Deferred loss on debt refunding                | 4,648,488                                   | -            | -                          | 4,648,488     | -                                                        |
| Pension related                                | 899,714                                     | 223,186      | -                          | 1,122,900     | -                                                        |
| Other post-employment benefits related         | 569,061                                     | 113,609      | -                          | 682,670       | -                                                        |
| Total deferred outflows of resources           | 6,117,263                                   | 336,795      | -                          | 6,454,058     | -                                                        |
| <b>LIABILITIES</b>                             |                                             |              |                            |               |                                                          |
| Current liabilities:                           |                                             |              |                            |               |                                                          |
| Accounts payable                               | 1,112,050                                   | 67,188       | 89,072                     | 1,268,310     | 7,591                                                    |
| Accrued liabilities                            | 46,394                                      | 8,896        | -                          | 55,290        | -                                                        |
| Accrued interest                               | 422,256                                     | 167,619      | -                          | 589,875       | -                                                        |
| Deposits payable                               | 370,911                                     | -            | -                          | 370,911       | -                                                        |
| Due to other funds                             | 5,493                                       | -            | -                          | 5,493         | -                                                        |
| Claims and judgments payable                   | -                                           | -            | -                          | -             | 2,297,000                                                |
| Compensated absences                           | 5,792                                       | 1,100        | -                          | 6,892         | -                                                        |
| Loans payable                                  | 165,882                                     | 248,053      | -                          | 413,935       | -                                                        |
| Bonds payable                                  | 1,365,000                                   | -            | -                          | 1,365,000     | -                                                        |
| Total current liabilities                      | 3,493,778                                   | 492,856      | 89,072                     | 4,075,706     | 2,304,591                                                |
| Noncurrent liabilities:                        |                                             |              |                            |               |                                                          |
| Compensated absences                           | 52,127                                      | 9,900        | -                          | 62,027        | -                                                        |
| Total other post-employment benefits liability | 2,008,475                                   | 400,976      | -                          | 2,409,451     | -                                                        |
| Net pension liability                          | 1,742,247                                   | 432,185      | -                          | 2,174,432     | -                                                        |
| Loans payable                                  | 5,703,930                                   | 8,216,474    | -                          | 13,920,404    | -                                                        |
| Bonds payable                                  | 39,649,581                                  | -            | -                          | 39,649,581    | -                                                        |
| Total noncurrent liabilities                   | 49,156,360                                  | 9,059,535    | -                          | 58,215,895    | -                                                        |
| Total liabilities                              | 52,650,138                                  | 9,552,391    | 89,072                     | 62,291,601    | 2,304,591                                                |
| <b>DEFERRED INFLOWS OF RESOURCES</b>           |                                             |              |                            |               |                                                          |
| Pension related                                | 1,298,021                                   | 321,989      | -                          | 1,620,010     | -                                                        |
| Other post-employment benefits related         | 257,187                                     | 51,346       | -                          | 308,533       | -                                                        |
| Total deferred inflows of resources            | 1,555,208                                   | 373,335      | -                          | 1,928,543     | -                                                        |
| <b>NET POSITION</b>                            |                                             |              |                            |               |                                                          |
| Net investment in capital assets               | 30,981,375                                  | 762,550      | 737,622                    | 32,481,547    | -                                                        |
| Restricted                                     | 158,464                                     | -            | -                          | 158,464       | -                                                        |
| Unrestricted                                   | 18,198,675                                  | 5,932,764    | 1,301,239                  | 25,432,678    | (1,952,514)                                              |
| Total net position                             | \$ 49,338,514                               | \$ 6,695,314 | \$ 2,038,861               | \$ 58,072,689 | \$ (1,952,514)                                           |

The accompanying notes are an integral part of these financial statements.

**CITY OF SOUTH PASADENA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                                | Business-Type Activities - Enterprise Funds |              |                            |               | Governmental<br>Activities -<br>Internal Service<br>Fund |
|------------------------------------------------|---------------------------------------------|--------------|----------------------------|---------------|----------------------------------------------------------|
|                                                | Water                                       | Sewer        | Arroyo Seco<br>Golf Course | Total         |                                                          |
| <b>OPERATING REVENUES</b>                      |                                             |              |                            |               |                                                          |
| Sales and service charges                      | \$ 12,484,238                               | \$ 2,200,532 | \$ 1,390,303               | \$ 16,075,073 | \$ 3,114,863                                             |
| Miscellaneous                                  | 9,317,881                                   | -            | -                          | 9,317,881     | -                                                        |
| Total operating revenues                       | 21,802,119                                  | 2,200,532    | 1,390,303                  | 25,392,954    | 3,114,863                                                |
| <b>OPERATING EXPENSES</b>                      |                                             |              |                            |               |                                                          |
| Administration and general                     | 824,923                                     | 443,276      | 1,263,942                  | 2,532,141     | -                                                        |
| Pumping                                        | 1,855,728                                   | -            | -                          | 1,855,728     | -                                                        |
| Transmission/collection                        | 3,015,668                                   | -            | -                          | 3,015,668     | -                                                        |
| Treatment                                      | -                                           | 410,511      | -                          | 410,511       | -                                                        |
| Insurance costs and claims                     | -                                           | -            | -                          | -             | 4,324,990                                                |
| Depreciation expense                           | 1,950,425                                   | 196,472      | 50,783                     | 2,197,680     | -                                                        |
| Amortization expense                           | 22,500                                      | -            | -                          | 22,500        | -                                                        |
| Total operating expenses                       | 7,669,244                                   | 1,050,259    | 1,314,725                  | 10,034,228    | 4,324,990                                                |
| Operating income (loss)                        | 14,132,875                                  | 1,150,273    | 75,578                     | 15,358,726    | (1,210,127)                                              |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>       |                                             |              |                            |               |                                                          |
| Interest revenue                               | (214,830)                                   | (145,200)    | -                          | (360,030)     | -                                                        |
| Interest expense                               | (1,764,694)                                 | (183,383)    | -                          | (1,948,077)   | -                                                        |
| Capital projects                               | (86,669)                                    | -            | -                          | (86,669)      | -                                                        |
| Miscellaneous expenses                         | (1,250)                                     | -            | -                          | (1,250)       | -                                                        |
| Total non-operating revenues (expenses)        | (2,067,443)                                 | (328,583)    | -                          | (2,396,026)   | -                                                        |
| Change in net position                         | 12,065,432                                  | 821,690      | 75,578                     | 12,962,700    | (1,210,127)                                              |
| <b>NET POSITION</b>                            |                                             |              |                            |               |                                                          |
| Net position, beginning, as restated (Note 15) | 37,273,082                                  | 5,873,624    | 1,963,283                  | 45,109,989    | (742,387)                                                |
| Net position, ending                           | \$ 49,338,514                               | \$ 6,695,314 | \$ 2,038,861               | \$ 58,072,689 | \$ (1,952,514)                                           |

The accompanying notes are an integral part of these financial statements.

# CITY OF SOUTH PASADENA

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2022

|                                                                                                           | Business-Type Activities - Enterprise Funds |              |                            |               | Governmental<br>Activities -<br>Internal Service<br>Funds |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------|----------------------------|---------------|-----------------------------------------------------------|
|                                                                                                           | Water                                       | Sewer        | Arroyo Seco<br>Golf Course | Total         |                                                           |
| <b>Cash flows from operating activities</b>                                                               |                                             |              |                            |               |                                                           |
| Cash received from customers and users                                                                    | \$ 12,451,989                               | \$ 2,166,984 | \$ 1,390,303               | \$ 16,009,276 | \$ 3,114,863                                              |
| Cash paid to suppliers for goods and services                                                             | (8,289,235)                                 | (971,035)    | (1,242,574)                | (8,502,844)   | (2,797,054)                                               |
| Cash paid to (received from) employees for services                                                       | (102,968)                                   | 12,561       | -                          | (90,407)      | -                                                         |
| Cash received from (payments to) others                                                                   | 9,317,881                                   | -            | -                          | 9,317,881     | -                                                         |
| Net cash provided by operating activities                                                                 | 15,377,667                                  | 1,208,510    | 147,729                    | 16,733,906    | 317,809                                                   |
| <b>Cash flows from noncapital financing activities</b>                                                    |                                             |              |                            |               |                                                           |
| Cash paid to other funds                                                                                  | -                                           | (150,000)    | -                          | (150,000)     | -                                                         |
| Cash received from other funds                                                                            | 5,493                                       | -            | -                          | 5,493         | -                                                         |
| Net cash provided by (used for) noncapital financing activities                                           | 5,493                                       | (150,000)    | -                          | (144,507)     | -                                                         |
| <b>Cash flows from capital and related financing activities</b>                                           |                                             |              |                            |               |                                                           |
| Acquisition and construction of capital assets                                                            | (95,823)                                    | (108,262)    | (9,570)                    | (213,655)     | -                                                         |
| Principal paid on capital debt                                                                            | (1,473,097)                                 | (242,951)    | -                          | (1,716,048)   | -                                                         |
| Interest paid on capital debt                                                                             | (1,765,944)                                 | (183,383)    | -                          | (1,949,327)   | -                                                         |
| Net cash provided by (used for) capital and related financing activities                                  | (3,334,864)                                 | (534,596)    | (9,570)                    | (3,879,030)   | -                                                         |
| <b>Cash flows from investing activities</b>                                                               |                                             |              |                            |               |                                                           |
| Interest received                                                                                         | (221,682)                                   | (142,017)    | 2                          | (363,697)     | -                                                         |
| Net cash provided by investing activities                                                                 | (221,682)                                   | (142,017)    | 2                          | (363,697)     | -                                                         |
| <b>Net increase in cash and cash equivalents</b>                                                          | 11,826,614                                  | 381,897      | 138,161                    | 12,346,672    | 317,809                                                   |
| Cash and cash equivalents, beginning of year                                                              | 10,615,101                                  | 6,418,577    | 1,229,412                  | 18,263,090    | 34,268                                                    |
| Cash and cash equivalents, end of year                                                                    | \$ 22,441,715                               | \$ 6,800,474 | \$ 1,367,573               | \$ 30,609,762 | \$ 352,077                                                |
| Cash and investments                                                                                      | \$ 22,283,251                               | \$ 6,800,474 | \$ 1,367,573               | \$ 30,451,298 | \$ 352,077                                                |
| Restricted:                                                                                               |                                             |              |                            |               |                                                           |
| Cash and investments with fiscal agent                                                                    | 158,464                                     | -            | -                          | 158,464       | -                                                         |
| Total cash and cash equivalents                                                                           | \$ 22,441,715                               | \$ 6,800,474 | \$ 1,367,573               | \$ 30,609,762 | \$ 352,077                                                |
| <b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b> |                                             |              |                            |               |                                                           |
| Operating income (loss)                                                                                   | \$ 14,132,875                               | \$ 1,150,273 | \$ 75,578                  | \$ 15,358,726 | \$ (1,210,127)                                            |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |                                             |              |                            |               |                                                           |
| Prior period adjustment                                                                                   | (270,583)                                   | (73,444)     | -                          | (344,027)     | 982,534                                                   |
| Abandoned CIP                                                                                             | (86,669)                                    | -            | -                          | (86,669)      | -                                                         |
| Depreciation                                                                                              | 1,950,425                                   | 196,472      | 50,783                     | 2,197,680     | -                                                         |
| Amortization                                                                                              | 22,500                                      | -            | -                          | 22,500        | -                                                         |
| (Increase) decrease in operating assets:                                                                  |                                             |              |                            |               |                                                           |
| Accounts receivable                                                                                       | (65,066)                                    | (33,548)     | -                          | (98,614)      | -                                                         |
| Inventories                                                                                               | (19,160)                                    | -            | (10,005)                   | (29,165)      | -                                                         |
| Deferred outflows of resources                                                                            | (539,050)                                   | (134,033)    | -                          | (673,083)     | -                                                         |
| Increase (decrease) in operating liabilities:                                                             |                                             |              |                            |               |                                                           |
| Accounts payable                                                                                          | (216,504)                                   | (43,804)     | 31,373                     | (228,935)     | (15,598)                                                  |
| Accrued liabilities                                                                                       | 14,647                                      | 2,409        | -                          | 17,056        | -                                                         |
| Deposits payable                                                                                          | 32,817                                      | -            | -                          | 32,817        | -                                                         |
| Claims and judgements payable                                                                             | -                                           | -            | -                          | -             | 561,000                                                   |
| Compensated absences                                                                                      | (7,410)                                     | (12,658)     | -                          | (20,068)      | -                                                         |
| Net pension liability                                                                                     | (561,006)                                   | (100,975)    | -                          | (661,981)     | -                                                         |
| Other post-employment benefits liability                                                                  | (250,199)                                   | (49,950)     | -                          | (300,149)     | -                                                         |
| Deferred inflows of resources                                                                             | 1,240,050                                   | 307,768      | -                          | 1,547,818     | -                                                         |
| Total adjustments                                                                                         | 1,244,792                                   | 58,237       | 72,151                     | 1,375,180     | 1,527,936                                                 |
| <b>Net cash provided by operating activities</b>                                                          | \$ 15,377,667                               | \$ 1,208,510 | \$ 147,729                 | \$ 16,733,906 | \$ 317,809                                                |

The accompanying notes are an integral part of these financial statements.

**CITY OF SOUTH PASADENA**

**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2022**

|                                         | Private Purpose<br>Trust Fund<br>Successor<br>Agency of the<br>Former CRA |
|-----------------------------------------|---------------------------------------------------------------------------|
| <b>Assets</b>                           |                                                                           |
| Pooled cash and investments             | \$ 132,278                                                                |
| Restricted assets:                      |                                                                           |
| Cash and investments with fiscal agents | 196,821                                                                   |
| Total assets                            | 329,099                                                                   |
| <b>Liabilities</b>                      |                                                                           |
| Accounts payable                        | 1,750                                                                     |
| Accrued interest                        | 6,800                                                                     |
| Due to other governments                | 1,922                                                                     |
| Long-term liabilities:                  |                                                                           |
| Due within one year                     | 165,000                                                                   |
| Due in more than one year               | 360,000                                                                   |
| Total liabilities                       | 535,472                                                                   |
| <b>Fiduciary Net Position (Deficit)</b> |                                                                           |
| Held in trust for other purposes        | \$ (206,373)                                                              |

The accompanying notes are an integral part of these financial statements.

CITY OF SOUTH PASADENA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

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|                                                 | Private Purpose<br>Trust Fund<br>Successor<br>Agency of the<br>Former CRA |
|-------------------------------------------------|---------------------------------------------------------------------------|
| <b>Revenues</b>                                 |                                                                           |
| Taxes                                           | \$ 172,383                                                                |
| Use of money and property                       | 316                                                                       |
| Total revenues                                  | <u>172,699</u>                                                            |
| <b>Expenses</b>                                 |                                                                           |
| Contractual services                            | 3,693                                                                     |
| Interest expense                                | 40,800                                                                    |
| Total expenses                                  | <u>44,493</u>                                                             |
| Change in net position                          | 128,206                                                                   |
| Net position (deficit) held in trust, beginning | <u>(334,579)</u>                                                          |
| Net position (deficit) held in trust, ending    | <u>\$ (206,373)</u>                                                       |

The accompanying notes are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 1: Summary of Significant Accounting Policies**

**A. Description of Entity**

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of South Pasadena, California (the City) and its component units, entities for which the City is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Government's operation, so data from these units are combined herein. The criteria used in determining the scope of the reporting entity is based on the provisions of GASB Statement No. 14 as amended by Statement 39, 61 and 80 and were as follows:

1. The members of the City Council also act as the governing body of the City of South Pasadena Housing Authority (the Authority).
2. The Authority is managed by employees of the City.
3. The Authority is financially interdependent with the City.

The City of South Pasadena was incorporated on March 2, 1888, under the general laws of the State of California. The City provides a full range of municipal services, including public safety (police and fire), streets, sanitation, refuse collection, sewer, water, parks and recreation, public improvements, planning and zoning, housing and community development, and general administrative and support services.

*Blended Component Units*

City of South Pasadena Housing Authority - The Authority was established pursuant to California Housing Authorities Law (Health and Safety Code Sections 34200 et seq.) on April 6, 2011. The purpose of the Housing Authority is to provide safe and sanitary housing opportunities for South Pasadena residents. The primary government has operational responsibility for the Housing Authority. Although the Housing Authority is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Housing Authority. Separate financial statements of the Housing Authority are not prepared. Additionally, the Housing Authority took over the housing activities from the former Community Redevelopment Agency due to its dissolution on January 31, 2012.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. All fiduciary activities are reported only in the fiduciary fund financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**Note 1: Summary of Significant Accounting Policies (continued)**

**B. Government-wide and Fund Financial Statements (continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Other general revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.



NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 1: Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

The City reports the following major governmental fund:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

- The Water Fund is used to account for the construction, operation, and maintenance of the City-owned water system.
- The Sewer Fund is used to account for the provision of sewer construction, maintenance, and operation services to residents of the City.

The City's fund structure also includes the following fund types:

- The Private Purpose Trust Fund accounts for the assets and liabilities of the former community redevelopment agency and its allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former community redevelopment agency are paid in full and assets have been liquidated. Please refer to Note 12 for more information.
- The Internal Service Fund is used to accumulate and allocate costs internally among the City's functions for general liability and worker's compensation insurance. Because the internal service operations benefit both governmental and business-type functions, they have been proportionally allocated and included within the governmental and business-like activities in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 1: Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

Proprietary funds and the internal service fund distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City has elected to follow all pronouncements of the GASB.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity**

*Deposits and Investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments in the Governmental and Proprietary Funds.

Investments for the City, as well as for its component units, are reported at fair value. The City's policy is generally to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

*Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans), or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 1: Summary of Significant Accounting Policies (continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)**

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January proceeding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, after December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent after August 31.

*Functional Classifications*

Expenditures of the Governmental Funds are classified by function. Functional classifications are defined as follows:

General Government includes legislative activities which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities which provide management or support services across more than one functional area.

Public Safety includes those activities which involve the protection of people and property.

Community Development includes those activities which involve the enhancing of the general quality of life.

Community Services includes activities such as administering the Senior Center, recreation classes, and special events committees.

Public Works includes those activities that involve the maintenance and improvement of City streets, roads and park department development and maintenance.

Capital Outlay includes those activities that account for the acquisition of capital assets.

*Inventories*

Inventory consisting primarily of materials and supplies is held by the Water Enterprise Fund. Such goods are valued using the average-cost method applied on a first-in, first-out (FIFO) basis. Inventories reported in the City's General Fund are charged to inventories when purchased and treated as an expenditure when issued.

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**


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**Note 1: Summary of Significant Accounting Policies (continued)****D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)***Restricted Assets*

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet and statement of net position because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

*Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for non-infrastructure assets and \$25,000 for infrastructure assets (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u>                              | <u>Years</u>     |
|--------------------------------------------|------------------|
| Buildings                                  | 50               |
| Improvements other than buildings          | 10 - 25          |
| Machinery and equipment                    | 3 - 30           |
| Vehicles                                   | 8                |
| <br><u>Infrastructure</u>                  | <br><u>Years</u> |
| Sewer collection system                    | 60               |
| Storm drain system                         | 60               |
| Bridges                                    | 60               |
| Hardscape                                  | 40               |
| Parkways and medians                       | 40               |
| Pavement, curbs and gutters, and sidewalks | 35               |
| Streetlights                               | 20               |
| Electronic traffic control devices         | 20               |

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 1: Summary of Significant Accounting Policies (continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)**

*Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position and balance sheet of governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position and balance sheet of governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments, and reimbursable grants billed but not yet available. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

*Net Position Flow Assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

*Fund Balance Flow Assumptions*

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 1: Summary of Significant Accounting Policies (continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)**

*Compensated Absences*

It is the policy of the City to record the cost of annual vacation as accrued. Employees are 100% vested in accrued vacation after six months of employment. The entire compensated absence liability for the Enterprise Fund is accrued as earned in the Enterprise Fund. All accumulated compensated absence liability of governmental funds is accrued when incurred in the government-wide financial statements. Compensated absences are reported in governmental funds only if they have matured.

It is the policy of the City to pay sick leave as used; accordingly, the expenditures are recorded when paid. Sick leave does not vest with employees. Accordingly, employees do not receive a payout for unused sick leave upon termination, although employees do receive credit for unused sick leave upon retirement.

*Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

|                         |                               |
|-------------------------|-------------------------------|
| Valuation Date (VD)     | June 30, 2020                 |
| Measurement Date (MD)   | June 30, 2021                 |
| Measurement Period (MP) | July 1, 2020 to June 30, 2021 |

*Other Postemployment Benefits (OPEB)*

For purposes of measuring the totaled OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

|                         |                               |
|-------------------------|-------------------------------|
| Valuation Date (VD)     | June 30, 2020                 |
| Measurement Date (MD)   | June 30, 2021                 |
| Measurement Period (MP) | July 1, 2020 to June 30, 2021 |

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 1: Summary of Significant Accounting Policies (continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)**

*Long-Term Obligations*

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

*Fund Equity*

In the fund financial statements, governmental funds report the following fund balance classification:

Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution of the City Council.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Council, with Resolution No. 7152, authorized the Finance Director to assign fund balance amounts for specific purposes.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes. The General Fund is the only fund that can report a positive unassigned fund balance.

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 1: Summary of Significant Accounting Policies (continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (continued)**

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, and then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balances classifications can be used.

The City Council adopts and amends committed fund balance amounts for specific purposes through a resolution. When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted amounts to be used first. When expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, they are considered to be spent in the order as follows: committed, assigned, and then unassigned.

*Net Position*

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**E. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses, during the reporting period. Actual results could differ from those estimates.



**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**


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**Note 1: Summary of Significant Accounting Policies (continued)****F. Implementation of New Pronouncement**

Governmental Accounting Standards Board has issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

**Note 2: Cash and Investments**

Cash and investments are classified in the accompanying financial statements as follows:

|                                         |                             |
|-----------------------------------------|-----------------------------|
| Statement of net position:              |                             |
| Cash and investments                    | \$ 73,625,221               |
| Cash and investments with fiscal agents | 1,299,973                   |
| Statement of fiduciary net position:    |                             |
| Cash and investments                    | 132,278                     |
| Cash and investments with fiscal agents | <u>196,821</u>              |
| Total cash and cash equivalents         | <u><u>\$ 75,254,293</u></u> |

Cash and investments at June 30, 2022, consists of the following:

|                                      |                             |
|--------------------------------------|-----------------------------|
| Cash and cash equivalents:           |                             |
| Petty cash                           | \$ 9,235                    |
| Deposits with financial institutions | 21,865,722                  |
| Investments                          | <u>53,379,336</u>           |
| Total cash and cash equivalents      | <u><u>\$ 75,254,293</u></u> |

The City of South Pasadena maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy which authorizes it to invest in various investments.

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 2: Cash and Investments (continued)**

**A. Deposits**

At June 30, 2022, the carrying amount of the City's deposits was \$20,724,213 and the bank balance was \$20,263,661. The difference between the two represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors.

Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**Note 2: Cash and Investments (continued)**

**B. Investments**

Under provision of the City's investment policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

| <u>Authorized Investment Type</u>  | <u>Authorized by<br/>Investment<br/>Policy</u> | <u>Maximum<br/>Maturity</u> | <u>Maximum<br/>Percentage<br/>of Portfolio</u> | <u>Maximum<br/>Investment<br/>In One Issuer</u> | <u>Minimum<br/>Quality<br/>Requirements</u> |
|------------------------------------|------------------------------------------------|-----------------------------|------------------------------------------------|-------------------------------------------------|---------------------------------------------|
| Local Agency Bonds                 | Yes                                            | 5 years                     | None                                           | None                                            | N/A                                         |
| U.S. Treasury Obligations          | Yes                                            | 5 years                     | None                                           | None                                            | N/A                                         |
| State Obligations - CA & Others    | Yes                                            | 5 years                     | None                                           | None                                            | N/A                                         |
| CA Local Agency Obligations        | Yes                                            | 5 years                     | None                                           | None                                            | N/A                                         |
| U.S. Agency Obligations            | Yes                                            | 5 years                     | None                                           | None                                            | N/A                                         |
| Banker's Acceptances               | Yes                                            | 180 days                    | 40%                                            | 30%                                             | N/A                                         |
| Commercial Paper - Select Agencies | Yes                                            | 270 days                    | 25%                                            | 10%                                             | A-1                                         |
| Commercial Paper - Other Agencies  | Yes                                            | 270 days                    | 40%                                            | None                                            | A-1                                         |
| Negotiable Certificates of Deposit | Yes                                            | 5 years                     | 30%                                            | None                                            | N/A                                         |
| CD Placement Service               | Yes                                            | 5 years                     | 30%                                            | None                                            | N/A                                         |
| Repurchase Agreements              | Yes                                            | 1 year                      | None                                           | None                                            | N/A                                         |
| Reverse Repurchase Agreements      | Yes                                            | 92 days                     | 20%                                            | None                                            | N/A                                         |
| Medium-Term Notes                  | Yes                                            | 5 years                     | 30%                                            | N/A                                             | A                                           |
| Mutual Funds                       | Yes                                            | N/A                         | 20%                                            | 10%                                             | N/A                                         |
| Money Market Mutual Funds          | Yes                                            | N/A                         | 20%                                            | 10%                                             | N/A                                         |
| Collateralized Bank Deposits       | Yes                                            | 5 years                     | None                                           | None                                            | N/A                                         |
| Mortgage Pass-Through Securities   | Yes                                            | 5 years                     | 20%                                            | None                                            | AA                                          |
| Bank/Time Deposits                 | Yes                                            | 5 years                     | None                                           | None                                            | N/A                                         |
| County Pooled Investment Funds     | Yes                                            | N/A                         | None                                           | None                                            | N/A                                         |
| Joint Powers Authority Pool        | Yes                                            | N/A                         | None                                           | None                                            | N/A                                         |
| Local Agency Investment Fund       | Yes                                            | N/A                         | None                                           | None                                            | N/A                                         |
| Voluntary Investment Program Fund  | Yes                                            | N/A                         | None                                           | None                                            | N/A                                         |

The City has monies held by trustees or fiscal agents pledged to the payment or security of certain bonds. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, may be invested in accordance with the ordinance, resolutions, or indentures specifying the types of investments its trustees or fiscal agents may make.

# CITY OF SOUTH PASADENA

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

### Note 2: Cash and Investments (continued)

#### C. Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

#### D. Credit Risk

The City's investment policy limits investments in medium-term notes (MTN's) to those rated "A" or better by a nationally recognized statistical rating organization. Investments in U.S. government securities are not considered to have credit risk and, therefore, their credit quality is not disclosed.

Presented below is the minimum rating required by the City's Investment Policy and the actual rating as of June 30, 2022:

| Investment Type              | Amount               | Minimum<br>Legal Rating | Exempt from<br>Disclosure | Rating as of Fiscal Year End |                     |                     |                     |                      |
|------------------------------|----------------------|-------------------------|---------------------------|------------------------------|---------------------|---------------------|---------------------|----------------------|
|                              |                      |                         |                           | AA+                          | AA / AA-            | A+                  | A / A-              | Not Rated            |
| Local Agency Investment Fund | \$ 15,380,420        | N/A                     | \$ -                      | \$ -                         | \$ -                | \$ -                | \$ -                | \$ 15,380,420        |
| Money Market Mutual Funds    | 94,126               | N/A                     | -                         | -                            | -                   | -                   | -                   | 94,126               |
| U.S. Treasury Notes          | 25,543,998           | N/A                     | 25,543,998                | -                            | -                   | -                   | -                   | -                    |
| Government Agency Securities | 1,298,668            | A                       | -                         | 1,298,668                    | -                   | -                   | -                   | -                    |
| Medium-Term Notes            | 11,062,124           | A                       | -                         | 765,745                      | 1,217,721           | 2,515,030           | 6,563,628           | -                    |
| Total                        | <u>\$ 53,379,336</u> |                         | <u>\$ 25,543,998</u>      | <u>\$ 2,064,413</u>          | <u>\$ 1,217,721</u> | <u>\$ 2,515,030</u> | <u>\$ 6,563,628</u> | <u>\$ 15,474,546</u> |

#### E. Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the bank balances, up to \$250,000 is federally insured and the remaining balances are collateralized in accordance with the California Government Code.

#### F. Concentration of Credit Risk

The City's investment policy imposes restrictions on the percentage that the City can invest in a single type of investment in accordance with CA Government Code. In addition, GASB 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value. As of June 30, 2022, there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**Note 2: Cash and Investments (continued)**

**G. Interest Rate Risk**

The City's investment policy limits investment maturities, in accordance with CA Government Code, as a means of managing its exposure to fair value losses arising from increasing interest rates. The certificates of deposit in cash with fiscal agent below with a maturity of three to five years are governed by the debt agreements, rather than the City's investment policy. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2022, the City had the following investments and original maturities:

| Investment Type              | Remaining Maturity (in months) |                     |                      |                     | Total                |
|------------------------------|--------------------------------|---------------------|----------------------|---------------------|----------------------|
|                              | 6 months or less               | 6 months to 1 year  | 1 to 3 years         | 3 to 5 years        |                      |
| Local Agency Investment Fund | \$ 15,380,420                  | \$ -                | \$ -                 | \$ -                | \$ 15,380,420        |
| Money Market Mutual Funds    | 94,126                         | -                   | -                    | -                   | 94,126               |
| U.S. Treasury Notes          | 1,933,398                      | 3,928,860           | 16,331,451           | 3,350,289           | 25,543,998           |
| Government Agency Securities | 1,298,668                      | -                   | -                    | -                   | 1,298,668            |
| Medium-Term Notes            | 960,940                        | 1,051,533           | 9,049,651            | -                   | 11,062,124           |
| Total                        | <u>\$ 19,667,552</u>           | <u>\$ 4,980,393</u> | <u>\$ 25,381,102</u> | <u>\$ 3,350,289</u> | <u>\$ 53,379,336</u> |

**H. Fair Value Measurements**

The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by the generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2022.

| Investment by Fair Value Level                            | Fair Value           | Level 1          | Level 2              | Level 3     |
|-----------------------------------------------------------|----------------------|------------------|----------------------|-------------|
| Debt securities:                                          |                      |                  |                      |             |
| Money Market Mutual Funds                                 | \$ 94,126            | \$ 94,126        | \$ -                 | \$ -        |
| U.S. Treasury Notes                                       | 25,543,998           | -                | 25,543,998           | -           |
| Government Agency Securities                              | 1,298,668            | -                | 1,298,668            | -           |
| Medium-Term Notes                                         | 11,062,124           | -                | 11,062,124           | -           |
| Total investments measured at fair value                  | 37,998,916           | <u>\$ 94,126</u> | <u>\$ 37,904,790</u> | <u>\$ -</u> |
| Investments not subject to fair value measurement<br>LAIF | <u>15,380,420</u>    |                  |                      |             |
| Total investments                                         | <u>\$ 53,379,336</u> |                  |                      |             |

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**Note 3: Capital Assets**

Capital asset activity was as follows for the year ended June 30, 2022:

| <b>Governmental activities:</b>              | <b>Balance<br/>June 30, 2021</b> | <b>Additions</b> | <b>Deletions</b> | <b>Balance<br/>June 30, 2022</b> |
|----------------------------------------------|----------------------------------|------------------|------------------|----------------------------------|
| Capital assets, not being depreciated:       |                                  |                  |                  |                                  |
| Land                                         | \$ 2,454,245                     | \$ -             | \$ -             | \$ 2,454,245                     |
| Construction in progress                     | 2,562,485                        | 757,187          | (169,684)        | 3,149,988                        |
| Total capital assets, not being depreciated  | 5,016,730                        | 757,187          | (169,684)        | 5,604,233                        |
| Capital assets, being depreciated:           |                                  |                  |                  |                                  |
| Buildings                                    | 11,964,792                       | 37,175           | -                | 12,001,967                       |
| Improvements other than buildings            | 7,788,183                        | -                | -                | 7,788,183                        |
| Infrastructure                               | 92,953,602                       | 169,684          | -                | 93,123,286                       |
| Machinery, equipment, and vehicles           | 11,878,034                       | 48,231           | -                | 11,926,265                       |
| Total capital assets, being depreciated      | 124,584,611                      | 255,090          | -                | 124,839,701                      |
| Less accumulated depreciation for:           |                                  |                  |                  |                                  |
| Buildings                                    | (8,257,938)                      | (337,444)        | -                | (8,595,382)                      |
| Improvements other than buildings            | (2,537,895)                      | (448,517)        | -                | (2,986,412)                      |
| Infrastructure                               | (48,120,241)                     | (57,295)         | -                | (48,177,536)                     |
| Machinery, equipment, and vehicles           | (10,022,581)                     | (447,294)        | -                | (10,469,875)                     |
| Total accumulated depreciation               | (68,938,655)                     | (1,290,550)      | -                | (70,229,205)                     |
| Total capital assets, being depreciated, net | 55,645,956                       | (1,035,460)      | -                | 54,610,496                       |
| Total governmental activities                | \$ 60,662,686                    | \$ (278,273)     | \$ (169,684)     | \$ 60,214,729                    |

Depreciation expense was charged to functions/programs of the primary government as follows:

|                                                      |                     |
|------------------------------------------------------|---------------------|
| <b>Governmental Activities:</b>                      |                     |
| General government                                   | \$ 458,415          |
| Public safety                                        | 291,358             |
| Community services                                   | 477,167             |
| Public works                                         | 63,610              |
| Total depreciation expense – governmental activities | <u>\$ 1,290,550</u> |

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**Note 3: Capital Assets (continued)**

| <b>Business-type activities:</b>             | <b>Balance<br/>June 30, 2021</b> | <b>Additions</b>    | <b>Deletions</b>       | <b>Balance<br/>June 30, 2022</b> |
|----------------------------------------------|----------------------------------|---------------------|------------------------|----------------------------------|
| Capital assets, not being depreciated:       |                                  |                     |                        |                                  |
| Land                                         | \$ 84,685                        | \$ -                | \$ -                   | \$ 84,685                        |
| Construction in progress                     | 11,771,073                       | 204,085             | (11,622,975)           | 352,183                          |
| Total capital assets, not being depreciated  | 11,855,758                       | 204,085             | (11,622,975)           | 436,868                          |
| Capital assets, being depreciated:           |                                  |                     |                        |                                  |
| Buildings                                    | 4,180,702                        | -                   | -                      | 4,180,702                        |
| Improvements other than buildings            | 5,323,960                        | 11,607,094          | -                      | 16,931,054                       |
| Infrastructure                               | 77,125,424                       | 15,881              | -                      | 77,141,305                       |
| Machinery and equipment                      | 2,064,486                        | 9,570               | -                      | 2,074,056                        |
| Total capital assets, being depreciated      | 88,694,572                       | 11,632,545          | -                      | 100,327,117                      |
| Less accumulated depreciation for:           |                                  |                     |                        |                                  |
| Buildings                                    | (1,418,977)                      | (83,339)            | -                      | (1,502,316)                      |
| Improvements other than buildings            | (3,756,948)                      | (612,129)           | -                      | (4,369,077)                      |
| Infrastructure                               | (9,108,170)                      | (1,371,126)         | -                      | (10,479,296)                     |
| Machinery and equipment                      | (1,100,231)                      | (131,086)           | -                      | (1,231,317)                      |
| Total accumulated depreciation               | (15,384,326)                     | (2,197,680)         | -                      | (17,582,006)                     |
| Total capital assets, being depreciated, net | 73,310,246                       | 9,434,865           | -                      | 82,745,111                       |
| Total business-type activities               | <u>\$ 85,166,004</u>             | <u>\$ 9,638,950</u> | <u>\$ (11,622,975)</u> | <u>\$ 83,181,979</u>             |

Depreciation expense was charged to functions/programs of the primary government as follows:

|                                                       |                     |
|-------------------------------------------------------|---------------------|
| <b>Business-type Activities:</b>                      |                     |
| Water                                                 | \$ 1,950,425        |
| Sewer                                                 | 196,472             |
| Arroyo Seco Golf Course                               | 50,783              |
| Total depreciation expense – business-type activities | <u>\$ 2,197,680</u> |

**Note 4: Leases Receivable**

For the year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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**Note 4: Leases Receivable (continued)**

On 07/01/2021, City of South Pasadena, CA entered into a 126 month lease as Lessor for the use of iTennis. An initial lease receivable was recorded in the amount of \$828,404. As of 06/30/2022, the value of the lease receivable is \$753,225. The lessee is required to make monthly fixed payments of \$7,000. The lease has an interest rate of 1.2173%. The value of the deferred inflow of resources as of 06/30/2022 was \$749,509, and the City of South Pasadena recognized lease revenue of \$78,896 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

**Note 5: Interfund Receivable, Payable and Transfers**

**A. Due To/From Other Funds**

At June 30, 2022, the City had the following internal balances:

| <u>Due From Other Funds</u> | <u>Due To Other Funds</u> |                   |                     |
|-----------------------------|---------------------------|-------------------|---------------------|
|                             | <u>Nonmajor<br/>Funds</u> | <u>Water Fund</u> | <u>Total</u>        |
| General Fund                | <u>\$ 2,014,263</u>       | <u>\$ 5,493</u>   | <u>\$ 2,019,756</u> |

The due to General fund of \$2,014,263 for various Nonmajor Governmental Funds and \$5,493 for the Water Fund, was a result of temporary cash deficit balances in those funds.

**B. Transfers**

|                                | <u>Transfers In</u>                         |                                    |
|--------------------------------|---------------------------------------------|------------------------------------|
|                                | <u>Non-Major<br/>Governmental<br/>Funds</u> | <u>Total<br/>Transfers<br/>Out</u> |
| Transfers Out:<br>General Fund | <u>\$ 130,700</u>                           | <u>\$ 130,700</u>                  |
| Total Transfers In:            | <u>\$ 130,700</u>                           | <u>\$ 130,700</u>                  |

All transfers were made as budgeted or as approved by Council. \$47,247 was drawn from the San Pascual Stables Capital Improvement Funds held in General Fund and transferred to the Facilities and Equipment Capital Projects Fund for the Stables Facilities Improvements. There were Special Funds that had negative fund balances that were identified without other potential source of funding thus the Adopted Budget reflected transfers from the General Fund to make those Special Fund balances whole. The transfers to those Special Funds include \$23 to CTC Traffic Improvement Fund, \$68,953 to Street Light and Landscape Fund, \$14,170 to Golden Streets Grant Fund, and \$307 to the Community Development Block Grant Fund.



**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**Note 6: Long-Term Debt**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

|                                            | Balance<br>June 30, 2021 | Additions   | Deletions             | Balance<br>June 30, 2022 | Due Within<br>One Year |
|--------------------------------------------|--------------------------|-------------|-----------------------|--------------------------|------------------------|
| <b>Business-Type Activities:</b>           |                          |             |                       |                          |                        |
| 2012 State Loan Payable - Direct Borrowing | \$ 8,707,478             | \$ -        | \$ (242,951)          | \$ 8,464,527             | \$ 248,053             |
| SRF State Loan Payable - Direct Borrowing  | 6,032,909                | -           | (163,097)             | 5,869,812                | 165,882                |
| 2013 Water Revenue Bonds                   | 4,245,000                | -           | (405,000)             | 3,840,000                | 420,000                |
| Issuance Premium                           | 228,629                  | -           | (27,712)              | 200,917                  | -                      |
| 2016 Water Revenue Bonds                   | 34,290,000               | -           | (905,000)             | 33,385,000               | 945,000                |
| Issuance Premium                           | 3,796,702                | -           | (208,038)             | 3,588,664                | -                      |
| Total Business-Type Activities             | <u>\$ 57,300,718</u>     | <u>\$ -</u> | <u>\$ (1,951,798)</u> | <u>\$ 55,348,920</u>     | <u>\$ 1,778,935</u>    |

**2012 State Loan Payable (Direct Borrowing)**

California State Water Resources Control Board loaned the City an assessable amount of \$11,000,000 over the term agreement starting December 1, 2013 through May 30, 2037. The proceeds from the loan are to be used by the City for its rehabilitation and replacement of the City's sewer infrastructure. The loan acts as an installment sale agreement, in which, the City must expend its own funds prior to drawing on the accessible loan amount for reimbursement. Repayment of project funds, together with all interest accrued thereon, by the City shall be repaid in annual installments commencing 1 year after the completion of the project.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest are as follows:

| Year Ending<br>June 30, | Principal           | Interest            | Total                |
|-------------------------|---------------------|---------------------|----------------------|
| 2023                    | \$ 248,053          | \$ 177,755          | \$ 425,808           |
| 2024                    | 253,262             | 172,546             | 425,808              |
| 2025                    | 258,581             | 167,227             | 425,808              |
| 2026                    | 264,011             | 161,797             | 425,808              |
| 2027                    | 269,555             | 156,253             | 425,808              |
| 2028-2032               | 1,435,101           | 693,940             | 2,129,041            |
| 2033-2037               | 1,592,250           | 536,791             | 2,129,041            |
| 2038-2042               | 1,766,607           | 362,434             | 2,129,041            |
| 2043-2047               | 1,960,057           | 168,984             | 2,129,041            |
| 2048                    | 417,050             | 8,758               | 425,808              |
| Total                   | <u>\$ 8,464,527</u> | <u>\$ 2,606,485</u> | <u>\$ 11,071,012</u> |

**CITY OF SOUTH PASADENA****NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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**Note 6: Long-Term Debt (continued)****SRF State Loan Payable (Direct Borrowing)**

California State Water Resources Control Board loaned the City an assessable amount of \$10,803,550 over the term agreement starting November 15, 2017 through January 1, 2050. The proceeds from the loan are to be used by the City for the Graves Reservoir Replacement Project. The loan acts as an installment sale agreement, in which, the City must expend its own funds prior to drawing on the accessible loan amount for reimbursement. Repayment of project funds, together with all interest accrued thereon, by the City shall be repaid in annual installments commencing 1 year after the completion of the project.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest are as follows:

| Year Ending<br>June 30, | Principal           | Interest            | Total               |
|-------------------------|---------------------|---------------------|---------------------|
| 2023                    | \$ 165,882          | \$ 99,085           | \$ 264,967          |
| 2024                    | 168,714             | 96,253              | 264,967             |
| 2025                    | 171,594             | 93,373              | 264,967             |
| 2026                    | 174,523             | 90,443              | 264,966             |
| 2027                    | 177,503             | 87,464              | 264,967             |
| 2028-2032               | 934,018             | 390,814             | 1,324,832           |
| 2033-2037               | 1,016,516           | 308,316             | 1,324,832           |
| 2038-2042               | 1,106,301           | 218,531             | 1,324,832           |
| 2043-2047               | 1,204,016           | 120,816             | 1,324,832           |
| 2048-2051               | 750,745             | 21,096              | 771,841             |
| Total                   | <u>\$ 5,869,812</u> | <u>\$ 1,526,191</u> | <u>\$ 7,396,003</u> |

**2013 Water Revenue Bonds**

In March, 2013, the South Pasadena Public Financing Authority issued \$6,995,000 Water and Wastewater Revenue Bonds, 2013 Series A. The bonds were issued to refund of a portion of the outstanding California Statewide Communities Development Authority Water and Wastewater Revenue Bonds, Series 2004A that were issued on behalf of the City of South Pasadena, to purchase a surety for a reserve fund for the Bonds, and to pay costs of issuance of the bonds. The bonds are secured by a pledge of system net revenues of the City's water system.

Bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**Note 6: Long-Term Debt (continued)**

The serial bonds mature annually from October 1, 2014 to October 1, 2029, in increasing amounts from \$325,000 to \$545,000. The bonds bear interest at rates ranging from .35% to 3.4%. The term bonds mature on October 1, 2029, and carry an interest rate of 5.0%. Interest is payable semi-annually on April 1 and October 1, commencing on October 1, 2014 and October 1, 2029, respectively.

If the City defaults on its obligations to make debt service payments on the bonds, the trustee, as assignee of the City, has the right to accelerate the total unpaid principal amount of the bonds. However, in the event of a default and such acceleration, there can be no assurance that the trustee will have sufficient moneys available for payment of the bonds.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest are as follows:

| Year Ending<br>June 30, | Principal           | Interest          | Total               |
|-------------------------|---------------------|-------------------|---------------------|
| 2023                    | \$ 420,000          | \$ 143,088        | \$ 563,088          |
| 2024                    | 435,000             | 128,688           | 563,688             |
| 2025                    | 450,000             | 113,688           | 563,688             |
| 2026                    | 470,000             | 95,987            | 565,987             |
| 2027                    | 490,000             | 77,588            | 567,588             |
| 2028-2030               | 1,575,000           | 133,150           | 1,708,150           |
| Total                   | <u>\$ 3,840,000</u> | <u>\$ 692,189</u> | <u>\$ 4,532,189</u> |

**2016 Water Revenue Bonds**

In November, 2016, the City of South Pasadena issued \$37,845,000 Water Revenue Refunding Bonds. The bonds were issued to refund all of the outstanding 2009 Water Revenue Bonds, purchase a municipal bond insurance policy to guarantee payment of the principal of and interest on the 2016 bonds and to pay costs of issuance of the 2016 bonds.

The serial bonds mature annually from October 1, 2017 to October 1, 2036, in amounts from \$835,000 to \$2,610,000. The bonds bear interest at rates ranging from 2% to 5%. The term bonds mature on October 1, 2039, and carry an interest rate of 5.0%. Interest is payable semi-annually on April 1 and October 1, commencing and ending on April 1, 2017 and April 1, 2037, respectively.

If the City defaults on its obligations to make debt service payments on the bonds, the trustee, as assignee of the City, has the right to accelerate the total unpaid principal amount of the bonds. However, in the event of a default and such acceleration, there can be no assurance that the trustee will have sufficient moneys available for payment of the bonds.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**Note 6: Long-Term Debt (continued)**

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest are as follows:

| Year Ending<br>June 30, | Principal            | Interest             | Total                |
|-------------------------|----------------------|----------------------|----------------------|
| 2023                    | \$ 945,000           | \$ 1,482,738         | \$ 2,427,738         |
| 2024                    | 985,000              | 1,439,213            | 2,424,213            |
| 2025                    | 1,035,000            | 1,388,713            | 2,423,713            |
| 2026                    | 1,095,000            | 1,335,463            | 2,430,463            |
| 2027                    | 1,145,000            | 1,279,463            | 2,424,463            |
| 2028-2032               | 7,800,000            | 5,425,263            | 13,225,263           |
| 2033-2037               | 11,850,000           | 2,979,438            | 14,829,438           |
| 2038-2040               | 8,530,000            | 438,413              | 8,968,413            |
| Total                   | <u>\$ 33,385,000</u> | <u>\$ 15,768,704</u> | <u>\$ 49,153,704</u> |

**Note 7: Compensated Absences**

The City's liability at June 30, 2022 for vested and unpaid compensated absences (accrued vacation and compensatory time) is as follows:

|                                    | Balance<br>June 30, 2021 | Additions         | Deletions           | Balance<br>June 30, 2022 | Due Within<br>One Year |
|------------------------------------|--------------------------|-------------------|---------------------|--------------------------|------------------------|
| Governmental activities            | \$ 863,279               | \$ 366,337        | \$ (358,632)        | \$ 870,984               | \$ 87,098              |
| Business-type activities           | 88,987                   | 28,582            | (48,650)            | 68,919                   | 6,892                  |
| Total compensated absences payable | <u>\$ 952,266</u>        | <u>\$ 394,919</u> | <u>\$ (407,282)</u> | <u>\$ 939,903</u>        | <u>\$ 93,990</u>       |

Compensated absences are paid, if matured, out of the General Fund, other various special revenue funds and enterprise funds.

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 8: City Employees Defined Benefit Pension Plan**

**A. General Information about the Pension Plans**

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors five rate plans (two miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**Note 8: City Employees Defined Benefit Pension Plan (continued)**

**A. General Information about the Pension Plans (continued)**

The Plans' provisions and benefits in effect at June 30, 2022 are summarized as follows:

|                                                   | <b>Miscellaneous</b>        |                                |
|---------------------------------------------------|-----------------------------|--------------------------------|
|                                                   | Prior to<br>January 1, 2013 | On or after<br>January 1, 2013 |
| Hire date                                         |                             |                                |
| Benefit formula                                   | 2% @ 55                     | 2% @ 62                        |
| Benefit vesting schedule                          | 5 years service             | 5 years service                |
| Benefit payments                                  | monthly for life            | monthly for life               |
| Retirement age                                    | 50 - 63                     | 52 - 67                        |
| Monthly benefits, as a % of eligible compensation | 1.426% to 2.418%            | 1.0% to 2.5%                   |
| Required employee contribution rates              | 7.00%                       | 6.50%                          |
| Required employer contribution rates              | 11.600%                     | 7.730%                         |

|                                                   | <b>Safety</b>    |                  |
|---------------------------------------------------|------------------|------------------|
|                                                   | January 1, 2013  | January 1, 2013  |
| Hire date                                         |                  |                  |
| Benefit formula                                   | 2% @ 50          | 2.7% @ 57        |
| Benefit vesting schedule                          | 5 years service  | 5 years service  |
| Benefit payments                                  | monthly for life | monthly for life |
| Retirement age                                    | 50 - 55          | 50 - 57          |
| Monthly benefits, as a % of eligible compensation | 2.0% to 2.7%     | 2.0% to 2.7%     |
| Required employee contribution rates              | 9.00%            | 12.75%           |
| Required employer contribution rates              | 20.940%          | 13.980%          |

***Employees Covered***

At June 30, 2020 (valuation date), the following employees were covered by the benefit terms:

|                                                                     | Miscellaneous -<br>Classic | Miscellaneous -<br>PEPRA | Safety -<br>Classic | Safety -<br>PEPRA |
|---------------------------------------------------------------------|----------------------------|--------------------------|---------------------|-------------------|
| Inactive employees or beneficiaries<br>currently receiving benefits | 153                        | -                        | 137                 | 1                 |
| Inactive employees entitled to but<br>not yet receiving benefits    | 198                        | 60                       | 31                  | 15                |
| Active employees                                                    | 38                         | 48                       | 36                  | 17                |
| <b>Total</b>                                                        | <b>389</b>                 | <b>108</b>               | <b>204</b>          | <b>33</b>         |

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 8: City Employees Defined Benefit Pension Plan (continued)**

**A. General Information about the Pension Plans (continued)**

***Contributions***

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2022 were \$9,206,330. The actual employer payments of \$5,001,568 made to CalPERS by the City during the measurement period ended June 30, 2021 differed from the City's proportionate share of the employer's contributions of \$6,058,237 by \$1,056,669, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

**B. Net Pension Liability**

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**


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**Note 8: City Employees Defined Benefit Pension Plan (continued)**
**B. Net Pension Liability (continued)**
***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

|                                  |                                                                                                                                      |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date                   | June 30, 2020                                                                                                                        |
| Measurement Date                 | June 30, 2021                                                                                                                        |
| Actuarial Cost Method            | Entry Age Normal in accordance with the requirements of GASB 68                                                                      |
| Asset Valuation Method           | Market Value of Assets                                                                                                               |
| Actuarial Assumptions:           |                                                                                                                                      |
| Discount Rate                    | 7.15%                                                                                                                                |
| Inflation                        | 2.50%                                                                                                                                |
| Salary Increases                 | Varies by entry age and service                                                                                                      |
| Mortality Rate Table (1)         | Derived using CALPERS' membership data for all funds                                                                                 |
| Post Retirement Benefit Increase | The lesser of contract COLA or 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter |

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

***Long-term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.



**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**


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**Note 8: City Employees Defined Benefit Pension Plan (continued)****B. Net Pension Liability (continued)**

The expected real rates of return by asset class are as follows:

| <b>Asset Class<sup>1</sup></b> | <b>Current Target Allocation</b> | <b>Real Return Years 1 - 10<sup>2</sup></b> | <b>Real Return Year 11+<sup>3</sup></b> |
|--------------------------------|----------------------------------|---------------------------------------------|-----------------------------------------|
| Public equity                  | 50.0%                            | 4.80%                                       | 5.98%                                   |
| Fixed income                   | 28.0%                            | 1.00%                                       | 2.62%                                   |
| Inflation assets               | -                                | 0.77%                                       | 1.81%                                   |
| Private equity                 | 8.0%                             | 6.30%                                       | 7.23%                                   |
| Real assets                    | 13.0%                            | 3.75%                                       | 4.93%                                   |
| Liquidity                      | 1.0%                             | -                                           | (0.92%)                                 |
| Total                          | 100.0%                           |                                             |                                         |

<sup>1</sup> In the System's ACFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

<sup>2</sup> An expected inflation of 2.0% used for this period

<sup>3</sup> An expected inflation of 2.92% used for this period

***Change of Assumptions***

There were no change of assumptions for measurement date June 30, 2021.

***Discount Rate***

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 8: City Employees Defined Benefit Pension Plan (continued)**

**B. Net Pension Liability (continued)**

***Subsequent Events***

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

***Pension Plan Fiduciary Net Position***

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**Note 8: City Employees Defined Benefit Pension Plan (continued)**

**C. Proportionate Share of Net Pension Liability**

The following table shows the Plans' proportionate share of the net pension liability over the measurement period.

| Miscellaneous Plan         | Increase (Decrease)                 |                                    |                                               |
|----------------------------|-------------------------------------|------------------------------------|-----------------------------------------------|
|                            | Plan Total Pension Liability<br>(a) | Plan Fiduciary Net Position<br>(b) | Plan Net Pension Liability<br>(c) = (a) - (b) |
| Balance at: 6/30/2020 (MD) | \$ 52,311,226                       | \$ 37,892,396                      | \$ 14,418,830                                 |
| Balance at: 6/30/2021 (MD) | 55,170,159                          | 46,571,804                         | 8,598,355                                     |
| Net Changes during 2020-21 | <u>\$ 2,858,933</u>                 | <u>\$ 8,679,408</u>                | <u>\$ (5,820,475)</u>                         |

| Safety                     | Increase (Decrease)                 |                                    |                                               |
|----------------------------|-------------------------------------|------------------------------------|-----------------------------------------------|
|                            | Plan Total Pension Liability<br>(a) | Plan Fiduciary Net Position<br>(b) | Plan Net Pension Liability<br>(c) = (a) - (b) |
| Balance at: 6/30/2020 (MD) | \$ 93,464,695                       | \$ 65,230,692                      | \$ 28,234,003                                 |
| Balance at: 6/30/2021 (MD) | 97,523,463                          | 79,110,235                         | 18,413,228                                    |
| Net Changes during 2020-21 | <u>\$ 4,058,768</u>                 | <u>\$ 13,879,543</u>               | <u>\$ (9,820,775)</u>                         |

Valuation Date (VD), Measurement Date (MD)

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' at [www.calpers.ca.gov](http://www.calpers.ca.gov). The City's proportionate share of the net pension liability for each Plan as of the June 30, 2020, and 2021 measurement dates was as follows:

|                                            | Miscellaneous    | Safety           |
|--------------------------------------------|------------------|------------------|
| Proportionate Share of NPL - June 30, 2020 | 0.341834%        | 0.423784%        |
| Proportionate Share of NPL - June 30, 2021 | 0.452830%        | 0.524670%        |
| Change - Increase                          | <u>0.110996%</u> | <u>0.100886%</u> |

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**


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**Note 8: City Employees Defined Benefit Pension Plan (continued)****C. Proportionate Share of Net Pension Liability (continued)**
***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the City's proportionate share of the net pension liability of each Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

|                                            | <b>Discount Rate - 1%</b><br><b>(6.15%)</b> | <b>Current Discount</b><br><b>Rate (7.15%)</b> | <b>Discount Rate + 1%</b><br><b>(8.15%)</b> |
|--------------------------------------------|---------------------------------------------|------------------------------------------------|---------------------------------------------|
| Miscellaneous Plan's Net Pension Liability | \$ 15,882,521                               | \$ 8,598,355                                   | \$ 2,576,640                                |
| Safety Plan's Net Pension Liability        | \$ 31,540,728                               | \$ 18,413,228                                  | \$ 7,630,609                                |

***Amortization of Deferred Outflows and Deferred Inflows of Resources***

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

|                                                                                  |                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Net difference between projected and actual earnings on pension plan investments | 5 year straight-line amortization                                                                                                                                                                                |
| All other amounts                                                                | Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period |

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**


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**Note 8: City Employees Defined Benefit Pension Plan (continued)**
**C. Proportionate Share of Net Pension Liability (continued)**

The EARSL for PERF C for the measurement period ending June 30, 2021 is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

As of the start of the measurement period (July 1, 2020), the City's net pension liability was \$42,652,833. For the measurement period ending June 30, 2021 (the measurement date), the City incurred a pension expense of \$8,173,907.

As of June 30, 2022, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

|                                                                                       | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|---------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between Expected and Actual Experience                                    | \$ 4,110,098                      | \$ -                             |
| Differences between Projected and Actual Investment Earnings                          | -                                 | 18,465,320                       |
| Differences between Employer's Contributions and Proportionate Share of Contributions | 14,535                            | 1,380,083                        |
| Change in Employer's Proportion                                                       | 618,099                           | 278,956                          |
| Pension Contributions Made Subsequent to Measurement Date                             | 9,206,330                         | -                                |
|                                                                                       | <u>\$ 13,949,062</u>              | <u>\$ 20,124,359</u>             |

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 8: City Employees Defined Benefit Pension Plan (continued)**

**D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)**

The amounts above are net of outflows and inflows recognized in the 2020-21 measurement period expense. Contributions subsequent to the measurement date of \$9,206,330 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

| <u>Fiscal Year<br/>Ended June 30,</u> | <u>Deferred Outflows/<br/>(Inflows) of<br/>Resources, Net</u> |
|---------------------------------------|---------------------------------------------------------------|
| 2023                                  | \$ (2,913,793)                                                |
| 2024                                  | (3,291,425)                                                   |
| 2025                                  | (4,086,286)                                                   |
| 2026                                  | (5,090,123)                                                   |
| 2027                                  | -                                                             |
| Thereafter                            | -                                                             |

**E. Payable to the Pension Plan**

At June 30, 2022, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

**F. Pension Plan Summary**

|                                                |                      |
|------------------------------------------------|----------------------|
| Miscellaneous plan net pension liability       | \$ 8,598,355         |
| Safety plan net pension liability              | <u>18,413,228</u>    |
| Combined net pension liability                 | <u>\$ 27,011,583</u> |
| Governmental activities net pension liability  | \$ 24,837,151        |
| Business-type activities net pension liability | <u>2,174,432</u>     |
| Total net pension liability                    | <u>\$ 27,011,583</u> |

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 9: Other Post-Employment Benefits**

**A. Plan Description**

The City provides certain other post-employment benefits (OPEB) through a single-employer defined benefit healthcare plan which provides health insurance for its retired employees according to the Personnel Rules and Regulations for each of the five employee groups. Benefit provisions are included annually in the Memorandum of Understanding between the City and each of its employee groups and ultimately passed by Council action. Separate financial statements for the plan are not available.

**B. Employees Covered**

As of the June 30, 2021 measurement date, the following numbers of participants were covered by the benefit terms under the Plan:

|                                                                  |                   |
|------------------------------------------------------------------|-------------------|
| Active employees                                                 | 139               |
| Inactive employees or beneficiaries currently receiving benefits | 97                |
| Inactive employees entitled to, but not yet receiving benefits   | <u>20</u>         |
| Total                                                            | <u><u>256</u></u> |

**C. Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by the City, City Council and/or employee associations. Currently, contributions are not required from plan members.

The City pays for postemployment health insurance on a pay-as-you-go basis (no prefunding). For fiscal year 2021-2022, the City paid \$540,160 for other postemployment benefits.

**D. Changes of Assumptions**

Discount rate decreased from 2.21% at June 30, 2020 to 2.16% at June 30, 2021.

**CITY OF SOUTH PASADENA****NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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**Note 9: Other Post-Employment Benefits (continued)****E. Total OPEB Liability**

The City's total OPEB liability was measured as of June 30, 2021 and was based on the following actuarial methods and assumptions:

| <b>Actuarial Assumptions</b>                   | <b>June 30, 2021 Measurement Date</b>                                                                                                                                                                                                                          |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Valuation Date                       | June 30, 2021                                                                                                                                                                                                                                                  |
| Contribution Policy                            | No pre-funding                                                                                                                                                                                                                                                 |
| Discount Rate                                  | 2.16% at June 30, 2021<br>(Bond Buyer 20-Bond Index)<br>2.21% at June 30, 2020<br>(Bond Buyer 20-Bond Index)                                                                                                                                                   |
| General Inflation                              | 2.50% annually                                                                                                                                                                                                                                                 |
| Mortality, Retirement, Disability, Termination | CalPERS 2000-2019 Experience Study                                                                                                                                                                                                                             |
| Mortality Improvement                          | Mortality projected fully generational with Scale MP-2021                                                                                                                                                                                                      |
| Salary increases                               | Aggregate - 2.75% annually<br>Mert - CalPERS 2000-2019 Experience Study                                                                                                                                                                                        |
| Medical Trend                                  | Non-Medicare – 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076<br>Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076<br>Medicare (Kaiser) – 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076 |
| Fixed Dollar Cap                               | None                                                                                                                                                                                                                                                           |
| PEMHCA Minimum Increase                        | 4.00% annually                                                                                                                                                                                                                                                 |
| Healthcare Participation at Retirement         | 90% of employees receiving City Subsidy (hired before 7/1/2020)<br>50% of employees receiving PEMHCA minimum                                                                                                                                                   |

**F. Discount Rate**

A discount rate of 2.16 percent was used in the valuation for measurement date June 30, 2021.



**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**


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**Note 9: Other Post-Employment Benefits (continued)****G. Changes in the Total OPEB Liability**

The changes in the total OPEB liability for the Plan are as follows:

|                                                              | <u>Total OPEB<br/>Liability</u> |
|--------------------------------------------------------------|---------------------------------|
| Balance at June 30, 2021<br>(June 30, 2020 measurement date) | <u>\$ 20,220,894</u>            |
| Changes recognized for the measurement period:               |                                 |
| Service cost                                                 | 895,656                         |
| Interest                                                     | 461,163                         |
| Changes of benefit terms                                     | (3,110,716)                     |
| Actual vs. expected experience                               | 887,933                         |
| Changes in assumptions                                       | (874,999)                       |
| Benefit payments                                             | <u>(498,954)</u>                |
| Net changes                                                  | <u>(2,239,917)</u>              |
| Balance at June 30, 2022<br>(June 30, 2021 measurement date) | <u><u>\$ 17,980,977</u></u>     |

**H. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

|                         | <u>1% Decrease<br/>(1.16%)</u> | <u>Current<br/>Discount<br/>Rate (2.16%)</u> | <u>1% Increase<br/>(3.16%)</u> |
|-------------------------|--------------------------------|----------------------------------------------|--------------------------------|
| Total OPEB Liability \$ | 20,637,077                     | \$ 17,980,977                                | \$ 15,806,908                  |

**I. Sensitivity of the Total OPEB Liability to Changes in the Health Care Trend Rates**

The following presents the total OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

|                         | <u>1% Decrease</u> | <u>Current<br/>Healthcare<br/>Cost Trend<br/>Rates</u> | <u>1% Increase</u> |
|-------------------------|--------------------|--------------------------------------------------------|--------------------|
| Total OPEB Liability \$ | 16,767,529         | \$ 17,980,977                                          | \$ 19,352,845      |

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**


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**Note 9: Other Post-Employment Benefits (continued)****J. OPEB Plan Fiduciary Net Position**

As the City is not prefunding with an OPEB trust, Plan Fiduciary Net Position was \$0 at the June 30, 2021 measurement date. The City does not have assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits. Contributions are fixed and not based on a measure of pay.

*Recognition of Deferred Outflows and Deferred Inflows of Resources*

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The net difference between projected and actual earnings on OPEB plan investments is amortized using the straight-line method over 5 years, while all other amounts are amortized over the expected average remaining service lifetime (EARSL) of plan participants.

**K. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2022, the City recognized OPEB revenue of \$1,759,968. As of fiscal year ended June 30, 2022, the City reported deferred outflows of resources related to OPEB from the following sources:

|                                                               | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|---------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience            | \$ 766,299                        | \$ 803,239                       |
| Changes in assumptions                                        | 2,481,087                         | 1,499,239                        |
| Contributions to OPEB plan subsequent to the measurement date | 1,847,160                         | -                                |
| Total                                                         | <u>\$ 5,094,546</u>               | <u>\$ 2,302,478</u>              |

The \$1,847,160 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized as expense as follows:

| Fiscal Year Ended<br>June 30, | Deferred<br>Outflows/(Inflows) of<br>Resources |
|-------------------------------|------------------------------------------------|
| 2023                          | \$ (7,861)                                     |
| 2024                          | (7,864)                                        |
| 2025                          | 234,223                                        |
| 2026                          | 320,865                                        |
| 2027                          | 403,242                                        |
| Thereafter                    | <u>2,303</u>                                   |
|                               | <u>\$ 944,908</u>                              |

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**Note 10: Insurance**

The City is partially self-insured for general liability insurance. The City is responsible for claims up to \$100,000 per occurrence. Coverage in excess of the City's self-insured retention is purchased through CSAC Excess Insurance Authority (CSAC-EIA) up to the statutory limits. The City participates in a risk pool for general liability insurance through CSAC-EIA above the City's self-insured retention of \$100,000 up to \$4,900,000 per occurrence. Reinsurance coverage in excess of the pool layer up to \$25,000,000 is purchased through CSAC-EIA. CSAC-EIA retains responsibility for claims in excess of each member's self-insured retention.

For workers' compensation insurance, the City is covered from the first dollar. Coverage between \$1 and \$5,000,000 is provided by CSAC-EIA. CSAC-EIA participates in an excess pool which provides coverage from \$5,000,000 to \$50,000,000 and purchases excess insurance above \$50,000,000 to the statutory limit.

Workers' compensation and general liability claims incurred prior to July 1, 2014 were covered through the City's participation in the California Joint Powers Insurance Authority.

**Note 11: Commitments and Contingencies**

Due to the occurrence of several spills from the City's sanitary sewer system, the City entered into a settlement on November 16, 2011, with the Regional Water Quality Control Board, Los Angeles Region and the state Attorney General for violations of the state's general waste discharge requirements. The settlement required the City to cover fines and attorney fees, complete repairs to its sanitary sewer system over a 10 year period, and implement specified system maintenance programs. These requirements will be monitored through an open court proceeding and, if not met; the City could be subjected to further monetary penalties. Several years ago, the City undertook a comprehensive sewer infrastructure improvement program to implement the requirements of the Consent Judgment. In 2019, a Project Completion Report was submitted to the RWQCB, however, the 2019 report did not include a list or description of all the projects listed in the Consent Judgment that have been completed. Presently, City staff are utilizing the services of a consultant to provide RWQCB additional information to resolve discrepancies between the Consent Judgment and the completed sewer rehabilitation work documented in the 2019 Project Completion Report, the completed video inspection work, and the completed staff inspections and staff training.

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes that based upon consultation with the City Attorney, that these cases in the aggregate are not expected to result in a material adverse financial impact on the City beyond that already accrued for in the basic financial statements. Additionally, City management believes that sufficient resources are available to the City to cover any potential losses, should an unfavorable outcome materialize.

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 12: Successor Agency Trust for Assets of Former Community Redevelopment Agency**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of South Pasadena that previously had reported a community redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a community redevelopment agency, a "successor agency" is to be established to hold the assets until they are distributed to other units of state and local government. On January 4, 2012, the City Council elected to become the Successor Agency for the former community redevelopment agency in accordance with the Bill as part of City resolution number 7205.

After enactment of the law, which occurred on June 28, 2011, community redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former community redevelopment agency until all enforceable obligations of the prior community redevelopment agency have been paid in full and all assets have been liquidated.

CITY OF SOUTH PASADENA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

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**Note 12: Successor Agency Trust for Assets of Former Community Redevelopment Agency  
(continued)**

**Cash and investments**

At June 30, 2022, Cash and investments reported in the accompanying financial statements consisted of the following:

|                                           |    |                |
|-------------------------------------------|----|----------------|
| Cash and investments pooled with the City | \$ | 132,278        |
| Cash and investments with fiscal agent    |    | 196,821        |
|                                           | \$ | <u>329,099</u> |

**Long-term debt**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

|                          | Balance<br>June 30, 2021 | Additions   | Deletions           | Balance<br>June 30, 2022 | Due Within<br>One Year |
|--------------------------|--------------------------|-------------|---------------------|--------------------------|------------------------|
| 2000 Tax Allocation Bond | \$ 680,000               | \$ -        | \$ (155,000)        | \$ 525,000               | \$ 165,000             |
| Total                    | <u>\$ 680,000</u>        | <u>\$ -</u> | <u>\$ (155,000)</u> | <u>\$ 525,000</u>        | <u>\$ 165,000</u>      |

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2022, follows:

*2000 Tax Allocation Bonds*

In July 2000, the Agency issued \$2,600,000 in tax allocation bonds for the Downtown Revitalization Project No. 1, which mature annually from May 1, 2001 to May 1, 2025, in increasing amounts from \$55,000 to \$185,000, plus interest at 4.4% to 6.0%, payable semiannually on May 1 and November 1, commencing on November 1, 2000. Bonds are subject to redemption at the option of the Agency beginning May 1, 2010, at a price ranging from 102% to 100% of principal value. Debt service on the bonds is provided by incremental property tax revenues generated within the Downtown Redevelopment Project Area. At June 30, 2022, \$525,000 was outstanding.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**Note 12: Successor Agency Trust for Assets of Former Community Redevelopment Agency**  
**(continued)**

**Pledged Revenue**

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the community redevelopment agency, property taxes allocated to community redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved community redevelopment agency. Total principal and interest remaining on the debt is \$589,200 with annual debt service requirements as indicated above. For the current fiscal year, the total property tax revenue recognized by the City and Successor Agency for the payment of indebtedness incurred by the dissolved Community Redevelopment Agency was \$172,383 and the interest expense on the bonds was \$40,800.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest are as follows:

| Year Ending<br>June 30, | Principal         | Interest         | Total             |
|-------------------------|-------------------|------------------|-------------------|
| 2023                    | \$ 165,000        | \$ 31,500        | \$ 196,500        |
| 2024                    | 175,000           | 21,600           | 196,600           |
| 2025                    | <u>185,000</u>    | <u>11,100</u>    | <u>196,100</u>    |
| Total                   | <u>\$ 525,000</u> | <u>\$ 64,200</u> | <u>\$ 589,200</u> |

**Insurance**

The Successor Agency is covered under the City of South Pasadena's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 9.

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**Note 13: Deficit Fund Balances**

The following funds have deficits in fund balance at June 30, 2022:

| Fund                                 | Amount      |
|--------------------------------------|-------------|
| Nonmajor Governmental Funds:         |             |
| Special Revenue Funds:               |             |
| MTA Pedestrian Improvement           | \$ (29,951) |
| Rogan HR 5294 Grant                  | (5,708)     |
| Parking and Business Improvement Tax | (15,609)    |
| Mission Meridian Public Garage       | (362,058)   |
| County Park Bond                     | (210,465)   |
| MSRC Grant                           | (152,986)   |
| Measure H                            | (87,699)    |
| Prop C Exchange                      | (345,047)   |
| BTA Grant                            | (416,948)   |
| Golden Streets Grant                 | (311,796)   |
| CDBG                                 | (2,584)     |
| Homeland Security Grant              | (146,371)   |
| HSIP Grant                           | (228,661)   |

The City intends to fund these deficits with future revenue, transfers and reductions of expenditures in future years.

**Note 14: Net Investment in Capital Assets**

The net investment in capital assets category of net position is comprised of the following:

|                                                 | Water                      | Sewer             | Arroyo Seco<br>Golf Course | Business-Type<br>Activities Total |
|-------------------------------------------------|----------------------------|-------------------|----------------------------|-----------------------------------|
| Capital assets, net of accumulated depreciation | \$ 73,217,280              | \$ 9,227,077      | \$ 737,622                 | \$ 83,181,979                     |
| 2016 Water Revenue Bonds                        | (33,385,000)               | -                 | -                          | (33,385,000)                      |
| Issuance Premium                                | (3,588,664)                | -                 | -                          | (3,588,664)                       |
| 2013 Water Revenue Bonds                        | (3,840,000)                | -                 | -                          | (3,840,000)                       |
| Issuance Premium                                | (200,917)                  | -                 | -                          | (200,917)                         |
| 2012 State Loan Payable                         | -                          | (8,464,527)       | -                          | (8,464,527)                       |
| SRF State Loan Payable                          | (5,869,812)                | -                 | -                          | (5,869,812)                       |
| Deferred Loss on Refunding                      | 4,648,488                  | -                 | -                          | 4,648,488                         |
| Net investment in capital assets                | <u>\$ 30,981,375</u>       | <u>\$ 762,550</u> | <u>\$ 737,622</u>          | <u>\$ 32,481,547</u>              |
|                                                 | Governmental<br>Activities |                   |                            |                                   |
| Capital assets, not being depreciated           | <u>\$ 5,604,233</u>        |                   |                            |                                   |
| Capital assets, net of accumulated depreciation | <u>54,610,496</u>          |                   |                            |                                   |
| Net investment in capital assets                | <u>\$ 60,214,729</u>       |                   |                            |                                   |

**CITY OF SOUTH PASADENA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**Note 15: Prior Period Adjustment**

The cumulative effects of correction of errors in reporting of prior balances resulted in the following prior period adjustments:

|                                      | General Fund         | Non-major<br>Funds   | Total<br>Governmental<br>Activities |
|--------------------------------------|----------------------|----------------------|-------------------------------------|
| Fund balance, as previously reported | \$ 25,643,607        | \$ 14,410,347        | \$ 40,053,954                       |
| Prior period adjustment              | (1,287,988)          | (76,036)             | (1,364,024)                         |
| Fund balance, as restated            | <u>\$ 24,355,619</u> | <u>\$ 14,334,311</u> | <u>\$ 38,689,930</u>                |

|                                      | Governmental<br>Activities | Business-Type<br>Activities |
|--------------------------------------|----------------------------|-----------------------------|
| Net position, as previously reported | \$ 49,907,349              | \$ 45,454,016               |
| Prior period adjustment              | (381,490)                  | (344,027)                   |
| Net position, as restated            | <u>\$ 49,525,859</u>       | <u>\$ 45,109,989</u>        |

|                                      | Water                | Sewer               | Arroyo Seco Golf<br>Course | Total Proprietary<br>Funds/Business-<br>Type Activities | Internal<br>Service<br>Funds |
|--------------------------------------|----------------------|---------------------|----------------------------|---------------------------------------------------------|------------------------------|
| Net position, as previously reported | \$ 37,543,665        | \$ 5,947,068        | \$ 1,963,283               | \$ 45,454,016                                           | \$ (1,724,921)               |
| Prior period adjustment              | (270,583)            | (73,444)            | -                          | (344,027)                                               | 982,534                      |
| Net position, as restated            | <u>\$ 37,273,082</u> | <u>\$ 5,873,624</u> | <u>\$ 1,963,283</u>        | <u>\$ 45,109,989</u>                                    | <u>\$ (742,387)</u>          |



## **REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF SOUTH PASADENA**

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                              | Budgeted Amounts |               | Actual        | Variance with |
|----------------------------------------------|------------------|---------------|---------------|---------------|
|                                              | Original         | Final         | Amounts       | Final Budget  |
| <b>Revenues</b>                              |                  |               |               |               |
| Taxes                                        | \$ 26,235,970    | \$ 26,235,970 | \$ 29,531,707 | \$ 3,295,737  |
| Licenses and permits                         | 827,680          | 827,680       | 814,081       | (13,599)      |
| Intergovernmental                            | 345,000          | 345,000       | 175,212       | (169,788)     |
| Charges for services                         | 3,359,000        | 3,364,000     | 4,082,853     | 718,853       |
| Use of money and property                    | 430,100          | 430,100       | (478,837)     | (908,937)     |
| Fines and forfeitures                        | 265,000          | 265,000       | 52,291        | (212,709)     |
| Miscellaneous                                | 484,884          | 484,884       | 491,476       | 6,592         |
| Total revenues                               | 31,947,634       | 31,952,634    | 34,668,783    | 2,716,149     |
| <b>Expenditures</b>                          |                  |               |               |               |
| Current:                                     |                  |               |               |               |
| General government                           | 6,462,905        | 6,893,795     | 7,012,269     | (118,474)     |
| Public safety                                | 16,199,702       | 16,344,879    | 19,146,076    | (2,801,197)   |
| Community development                        | 3,402,385        | 3,810,797     | 2,672,281     | 1,138,516     |
| Community services                           | 3,287,989        | 3,300,190     | 3,178,805     | 121,385       |
| Public works                                 | 2,351,205        | 2,750,415     | 2,112,342     | 638,073       |
| Capital outlay                               | 116,500          | 108,500       | 99,758        | 8,742         |
| Total expenditures                           | 31,820,686       | 33,208,576    | 34,221,531    | (1,012,955)   |
| Excess of revenues over expenditures         | 126,948          | (1,255,942)   | 447,252       | 1,703,194     |
| <b>Other Financing Sources (Uses)</b>        |                  |               |               |               |
| Transfers in                                 | -                | 1,410,000     | -             | (1,410,000)   |
| Transfers out                                | (88,281)         | (1,498,281)   | (130,700)     | 1,367,581     |
| Total other financing sources (uses)         | (88,281)         | (88,281)      | (130,700)     | (42,419)      |
| Net change in fund balance                   | 38,667           | (1,344,223)   | 316,552       | 1,660,775     |
| Fund balance, beginning of year, as restated | 24,355,619       | 24,355,619    | 24,355,619    | -             |
| Fund balance, end of year                    | \$ 24,394,286    | \$ 23,011,396 | \$ 24,672,171 | \$ 1,660,775  |

# CITY OF SOUTH PASADENA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS – COST SHARING LAST TEN YEARS\*

| Measurement Date | Employer's Proportion of the Collective Net Pension Liability <sup>1</sup> | Employer's Proportionate Share of the Collective Net Pension Liability | Employer's Covered Payroll | Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Employer's Covered Payroll | Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability |
|------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| 6/30/2014        | 0.35660%                                                                   | \$ 22,189,470                                                          | \$ 10,021,859              | 221.41%                                                                                                                  | 79.82%                                                                               |
| 6/30/2015        | 0.35146%                                                                   | 24,123,577                                                             | 10,601,417                 | 227.55%                                                                                                                  | 78.40%                                                                               |
| 6/30/2016        | 0.36618%                                                                   | 31,865,437                                                             | 10,683,089                 | 298.28%                                                                                                                  | 74.06%                                                                               |
| 6/30/2017        | 0.36714%                                                                   | 36,410,081                                                             | 11,218,719                 | 324.55%                                                                                                                  | 73.31%                                                                               |
| 6/30/2018        | 0.37770%                                                                   | 36,396,135                                                             | 11,190,390                 | 325.24%                                                                                                                  | 74.01%                                                                               |
| 6/30/2019        | 0.38379%                                                                   | 39,327,077                                                             | 10,760,952                 | 365.46%                                                                                                                  | 72.89%                                                                               |
| 6/30/2020        | 0.39201%                                                                   | 42,652,833                                                             | 11,634,785                 | 366.60%                                                                                                                  | 70.74%                                                                               |
| 6/30/2021        | 0.49945%                                                                   | 27,011,583                                                             | 12,540,902                 | 215.39%                                                                                                                  | 82.31%                                                                               |

<sup>1</sup> Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

\* Measurement date 6/30/2014 (fiscal year 2014-15) was the first year of implementation. Additional years will be presented as information comes available.

# CITY OF SOUTH PASADENA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PLAN CONTRIBUTIONS – COST SHARING LAST TEN YEARS\*

| Fiscal Year | Actuarially<br>Determined<br>Contribution | Contributions in<br>Relation to the<br>Actuarially<br>Determined<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Employer's<br>Covered Payroll | Contributions as<br>a Percentage of<br>Covered Payroll |
|-------------|-------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|-------------------------------|--------------------------------------------------------|
| 6/30/2015   | \$ 1,926,460                              | \$ (1,926,460)                                                                   | \$ -                                   | \$ 10,601,417                 | 18.17%                                                 |
| 6/30/2016   | 2,445,893                                 | (2,445,893)                                                                      | -                                      | 10,683,089                    | 22.89%                                                 |
| 6/30/2017   | 3,258,700                                 | (3,258,700)                                                                      | -                                      | 11,218,719                    | 29.05%                                                 |
| 6/30/2018   | 3,082,379                                 | (3,082,379)                                                                      | -                                      | 11,190,390                    | 27.54%                                                 |
| 6/30/2019   | 3,460,075                                 | (3,460,075)                                                                      | -                                      | 10,760,952                    | 32.15%                                                 |
| 6/30/2020   | 4,295,978                                 | (4,295,978)                                                                      | -                                      | 11,634,785                    | 36.92%                                                 |
| 6/30/2021   | 5,001,568                                 | (5,001,568)                                                                      | -                                      | 12,540,902                    | 39.88%                                                 |
| 6/30/2022   | 9,206,330                                 | (9,206,330)                                                                      | -                                      | 12,690,746                    | 72.54%                                                 |

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

### Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2020 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

# CITY OF SOUTH PASADENA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS LAST TEN YEARS\*

| Fiscal Year<br>Measurement Period                                          | 2017-18<br>2016-17 | 2018-19<br>2017-18 | 2019-20<br>2018-19 | 2020-21<br>2019-20 | 2021-22<br>2020-21 |
|----------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total OPEB Liability</b>                                                |                    |                    |                    |                    |                    |
| Service cost                                                               | \$ 664,681         | \$ 560,960         | \$ 506,445         | \$ 666,996         | \$ 895,656         |
| Interest                                                                   | 519,308            | 607,364            | 651,066            | 600,512            | 461,163            |
| Changes in benefit terms                                                   | -                  | -                  | 270,482            | -                  | (3,110,716)        |
| Actual vs. expected experience                                             | -                  | -                  | (1,405,666)        | -                  | 887,933            |
| Changes in assumptions                                                     | (1,694,570)        | (606,526)          | 829,039            | 2,810,290          | (874,999)          |
| Benefit payments                                                           | (645,346)          | (637,788)          | (660,893)          | (694,791)          | (498,954)          |
| Net change in total OPEB liability                                         | (1,155,927)        | (75,990)           | 190,473            | 3,383,007          | (2,239,917)        |
| Total OPEB liability - beginning                                           | 17,879,331         | 16,723,404         | 16,647,414         | 16,837,887         | 20,220,894         |
| Total OPEB liability - ending (a)                                          | 16,723,404         | 16,647,414         | 16,837,887         | 20,220,894         | 17,980,977         |
| <b>Plan Fiduciary Net Position</b>                                         |                    |                    |                    |                    |                    |
| Contributions – employer                                                   | -                  | -                  | -                  | -                  | -                  |
| Net investment income                                                      | -                  | -                  | -                  | -                  | -                  |
| Benefit payments                                                           | -                  | -                  | -                  | -                  | -                  |
| Administrative expense                                                     | -                  | -                  | -                  | -                  | -                  |
| Net change in plan fiduciary net position                                  | -                  | -                  | -                  | -                  | -                  |
| Plan fiduciary net position - beginning                                    | -                  | -                  | -                  | -                  | -                  |
| Plan fiduciary net position - ending (b)                                   | -                  | -                  | -                  | -                  | -                  |
| Net OPEB liability - ending (a) - (b)                                      | \$ 16,723,404      | \$ 16,647,414      | \$ 16,837,887      | \$ 20,220,894      | \$ 17,980,977      |
| Plan fiduciary net position as a percentage<br>of the total OPEB liability | 0.0%               | 0.0%               | 0.0%               | 0.0%               | 0.0%               |
| Covered-employee payroll                                                   | \$ 11,644,645      | \$ 14,031,728      | \$ 10,487,587      | \$ 11,952,495      | \$ 15,678,975      |
| Net OPEB liability as a percentage of covered                              | 143.6%             | 118.6%             | 160.6%             | 169.2%             | 114.7%             |

### Notes to Schedule:

Changes in assumptions: Discount rate decreased from 2.21% at June 30, 2020 to 2.16% at June 30, 2021.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

The City does not have assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits. Contributions are fixed and not based on a measure of pay.

\*Fiscal Year 2017-18 was the first year of implementation

## CITY OF SOUTH PASADENA

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022

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#### Note 1: General Budget Policies

Budgetary control is an essential element in governmental financial reporting. The City, a general law city in the State of California, does not legally require a budget. However, the City Council adopted budgets for the General, Special Revenue, and Capital Projects Funds with the exception of the Measure H, Prop C Exchange, MTA Pedestrian Improvement, Gold Line Mitigation, Rogan HR 5294 Grant, and BTA Grant Special Revenue Funds.

To facilitate a greater understanding of the City's operations, budget information for the General, Special Revenue and Capital Projects Funds is included in the accompanying basic financial statements. This detailed budget document is published and is a matter of public record. Each year, the City Manager submits his proposed budget to the City Council. The City Council holds public hearings and may modify the appropriations by majority approval. The legal level of expenditures is controlled at the fund level and operating appropriations lapse at the end of each fiscal year. All budgeted amounts are reported on the same basis as the fund types and adopted on a basis consistent with accounting principles generally accepted in the United States of America. Changes in appropriations at the fund level during the year must be submitted by the City's departments for City Council review and approval. The City Manager may, without Council approval, amend individual line items within any fund and between divisions and programs, in personnel costs, maintenance and operations, capital outlay and capital projects portions of the budget without increasing total appropriations for that fund. Department heads may, without Council approval, amend individual line items within any fund in the maintenance and operation portions of the budget without increasing total appropriations for that division.

#### Note 2: Supplementary Budget Information

Excess of expenditures over appropriations at the fund level were as follows:

| <u>Fund</u>                   | <u>Appropriations</u> | <u>Expenditures</u> | <u>Excess</u> |
|-------------------------------|-----------------------|---------------------|---------------|
| General Fund:                 |                       |                     |               |
| General Government            | \$ 6,893,795          | \$ 7,012,269        | \$ (118,474)  |
| Public safety                 | 16,344,879            | 19,146,076          | (2,801,197)   |
| Non-Major Governmental Funds: |                       |                     |               |
| Homeland Security Grant       | 107,049               | 125,360             | (18,311)      |
| Housing Authority             | -                     | 372                 | (372)         |

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## **SUPPLEMENTARY INFORMATION**

**NON-MAJOR GOVERNMENTAL FUNDS**

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**Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**\*201 - MTA Pedestrian Improvement Fund** – To account for MTA grants used for the Fair Oaks/Mission pedestrian improvement projects which include pedestrian accessibility, widened bikeways, landscaping, lighting modification and aesthetics.

**205 - Proposition “A” Local Return Fund** – To account for all revenues and expenditures associated with the one-half cent sales tax approved by Proposition A in 1980. All revenues of this fund must be expended for transportation-related items as established by the Los Angeles County Transportation Commission.

**207 - Proposition “C” Local Return Fund** – To account for all revenues and expenditures associated with the one-half cent sales tax approved by Proposition C in 1990. All revenues of this fund must be expended for transportation-related items as established by the Los Angeles County Transportation Commission.

**211 - CTC Traffic Improvement Grant Fund** – To account for state and federal funding of street and intersection improvements relieving congestion at our busiest intersections.

**\*214 - Rogan HR 5294 Grant Fund** – To account for the revenue and expenditures associated with the 110 FWY Hook Ramp Project funded by Rogan grant.

**215 - Street Lighting and Landscaping Fund** – To account for the costs associated with the City’s street lighting and median landscaping programs. These costs are deemed to benefit all property owners who are assessed their proportionate share of the costs. These assessments are placed on the property tax bill and collected and remitted to the City by the County of Los Angeles.

**218 - Clean Air Act Fund** – To account for revenues and expenditures expended for air quality improvement projects as established by the South Coast Air Quality Management District.

**220 - Parking and Business Improvement Tax (BIT) Fund** – To account for business improvement tax returns collected by the City for specified purposes within the Parking and Business Improvement Area: (1) decoration of any public place, (2) promotion of public events; (3) furnishing of music; (4) general promotion of retail trade activities.

**\*223 - Gold Line Mitigation Fund** – To account for the MTA’s funding for the improvements to the Gold Line Mission Street Station.

**226 - Mission Meridian Public Garage Fund** – To account for the revenues and expenditures of the Mission Meridian Public Garage.

## CITY OF SOUTH PASADENA

### NON-MAJOR GOVERNMENTAL FUNDS

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**230 - State Gas Tax Fund** – To account for all state gas tax related revenues and expenditures, including street repair, reconstruction and maintenance. State law requires these gasoline taxes to be used to maintain the City's street and highway system.

**232 - County Park Bond** – To account for the revenues and expenditures for the County Park Bond related improvements.

**255 - Capital Growth Requirements Fund** – To account for fees paid to the City for building development to be applied towards the costs of public facilities improvements.

**260 - Community Development Block Grant (CDBG) Fund** – To account for the revenues and expenditures for Community Development Block Grant projects.

**239 - Measure W Fund** – To account for all revenues and expenditures associated with improving conditions of stormwater runoffs funded by parcel tax.

**270 - Asset Forfeiture Fund** – To account for proceeds received from forfeiture in narcotics investigations allocated for law enforcement activities.

**245 - Bike and Pedestrian Paths Fund** – To account for the revenues and expenditures for bike and pedestrian facilities improvements funded by the State of California Transportation Development Act.

**272 - State Police Grant Fund** – To account for revenue and expenditures for frontline police services funded by COPS (AB 3229) grant.

**274 - Homeland Security Grant Fund** – To account for revenue and expenditures the operations of police equipment and conferences funded by Homeland Security.

**275 - Park Impact Fees Fund** – To account for the proceeds of a development fee used for the purpose of park facilities improvements and related expenditures.

**233 - Measure R Fund** – To account for all revenues and expenditures associated with the one-half cent sales tax approved by Measure R in 2009. All revenues of this fund must be expended for transportation-related items as established by the Los Angeles County Transportation Commission.

**236 - Measure M Fund** – To account for all revenues and expenditures associated with the one-half cent sales tax approved by Measure M in 2016. All revenues of this fund must be expended for transportation-related items as established by the Los Angeles County Transportation Commission.

**208 - TDA/Metro Grant Fund** – To account for all revenues and expenditures associated with the TEA/Metro Fund. All revenues of this fund must be expended for transportation-related items.

## CITY OF SOUTH PASADENA

### NON-MAJOR GOVERNMENTAL FUNDS

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**217 - Public, Education Fund** – To account for revenues and expenditures used for public education and government access charges that the City's cable franchise collects. Monies in this fund must be used to purchase equipment related to the production of public education and government access television.

**237 - Road Maintenance & Rehab Fund** – To account for all revenues and expenditures associated with State Gas Tax SB1.

**238 - MSRC Grant Fund** – To account for the revenues and expenditures for the Mobile Source Air Pollution Reduction Review Committee projects.

**\*241 - Measure H Fund** – To account for the revenues and expenditures for the "Los Angeles County Plan to Prevent and Combat Homelessness" for the specific purposes of funding homeless services and short-term housing.

**\*242 - Prop C Exchange Fund** – To account for all revenues and expenditures associated with competitive Metro Grant for eligible transportation projects.

**\*248 - BTA Grant Fund** – To account for the revenues and expenditures for the Bicycle Transportation Account (BTA) grant funded by the Los Angeles County Metropolitan Transportation Authority. This grant was awarded to fund two projects from the City's Bicycle Master Plan: the Mission Street Green Sharrow Lane Project and the South Pasadena Bicycle Parking Project.

**228 - Housing Authority Fund** – To account for the revenues and expenditures for the City of South Pasadena Housing Authority.

**249 - Golden Streets Grant Fund** – To account for the revenues and expenditures for the open streets grant funded by the Los Angeles County Metropolitan Transportation Authority. The goals of the Open Streets Grant Program is to provide opportunities for 1) riding transit, walking and riding a bike, possibly for the first time, 2) to encourage future mode shift to more sustainable transportation modes, and for 3) civic engagement to foster the development of multi-modal policies and infrastructure at the city/community level.

**277 - Highway Safety Improvement Program Grant (HSIP) Fund** – To account for revenues and expenditures related to street improvements funded by the grant.

**276 - Historic Preservation Grant Fund** – To account for revenues and expenditures related to historic preservation grant funds.

*\*Note that no budget was adopted for this fund.*

## CITY OF SOUTH PASADENA

### NON-MAJOR GOVERNMENTAL FUNDS

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#### **Capital Projects Funds**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

**105 - Facilities & Equipment Replacement Fund** – To account the replacement costs of City vehicles and equipment.

**\*106 - Technology Surcharge Fund** – To account for the funding collected through the City's Technology Fee Surcharge intended for acquiring and maintenance of a permitting software system.

**\*327 - 2000 Tax Allocation Bonds Fund** – To account for capital expenditures for improvements funded by the bonds formerly held by the Successor Agency to the Community Redevelopment Agency.

**104 - Street Improvement Program Fund** – To account for capital expenditures related to street improvements projects.

*\*Note that no budget was adopted for this fund.*

**CITY OF SOUTH PASADENA**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

|                                                                                | Special Revenue Funds            |                     |                     |                                     |
|--------------------------------------------------------------------------------|----------------------------------|---------------------|---------------------|-------------------------------------|
|                                                                                | MTA<br>Pedestrian<br>Improvement | Proposition<br>"A"  | Proposition<br>"C"  | CTC Traffic<br>Improvement<br>Grant |
| <b>ASSETS</b>                                                                  |                                  |                     |                     |                                     |
| Pooled cash and investments                                                    | \$ -                             | \$ 1,873,309        | \$ 1,269,996        | \$ -                                |
| Receivables:                                                                   |                                  |                     |                     |                                     |
| Accounts                                                                       | -                                | -                   | -                   | -                                   |
| Taxes                                                                          | -                                | -                   | -                   | -                                   |
| Accrued interest                                                               | -                                | 1,591               | 1,068               | -                                   |
| Due from other governments                                                     | -                                | -                   | -                   | -                                   |
| <b>Total assets</b>                                                            | <b>\$ -</b>                      | <b>\$ 1,874,900</b> | <b>\$ 1,271,064</b> | <b>\$ -</b>                         |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b>       |                                  |                     |                     |                                     |
| <b>Liabilities:</b>                                                            |                                  |                     |                     |                                     |
| Accounts payable                                                               | \$ -                             | \$ 11,928           | \$ 50,013           | \$ -                                |
| Accrued liabilities                                                            | -                                | 4,907               | 3,592               | -                                   |
| Deposits payable                                                               | -                                | -                   | -                   | -                                   |
| Due to other funds                                                             | 29,951                           | -                   | -                   | -                                   |
| <b>Total liabilities</b>                                                       | <b>29,951</b>                    | <b>16,835</b>       | <b>53,605</b>       | <b>-</b>                            |
| <b>Fund Balances (Deficits):</b>                                               |                                  |                     |                     |                                     |
| Restricted for:                                                                |                                  |                     |                     |                                     |
| Community development projects                                                 | -                                | -                   | -                   | -                                   |
| Public safety - police                                                         | -                                | -                   | -                   | -                                   |
| Community services                                                             | -                                | 1,858,065           | -                   | -                                   |
| Public works - streets and roads                                               | -                                | -                   | 1,217,459           | -                                   |
| Capital projects                                                               | -                                | -                   | -                   | -                                   |
| Public works - street lighting                                                 | -                                | -                   | -                   | -                                   |
| Committed to:                                                                  |                                  |                     |                     |                                     |
| Capital projects                                                               | -                                | -                   | -                   | -                                   |
| Unassigned                                                                     | (29,951)                         | -                   | -                   | -                                   |
| <b>Total fund balances (deficits)</b>                                          | <b>(29,951)</b>                  | <b>1,858,065</b>    | <b>1,217,459</b>    | <b>-</b>                            |
| <b>Total liabilities, deferred inflows of<br/>resources, and fund balances</b> | <b>\$ -</b>                      | <b>\$ 1,874,900</b> | <b>\$ 1,271,064</b> | <b>\$ -</b>                         |

(continued)

| Special Revenue Funds       |                    |                   |                                        |                         |
|-----------------------------|--------------------|-------------------|----------------------------------------|-------------------------|
| Rogan HR 5294<br>Grant Fund | Street<br>Lighting | Clean Air<br>Act  | Parking and<br>Business<br>Improvement | Gold Line<br>Mitigation |
| \$ -                        | \$ 379,025         | \$ 144,951        | \$ -                                   | \$ 63,353               |
| -                           | -                  | 8,442             | -                                      | -                       |
| -                           | 36,437             | -                 | -                                      | -                       |
| -                           | 457                | 119               | -                                      | 55                      |
| -                           | -                  | -                 | -                                      | -                       |
| <u>\$ -</u>                 | <u>\$ 415,919</u>  | <u>\$ 153,512</u> | <u>\$ -</u>                            | <u>\$ 63,408</u>        |
|                             |                    |                   |                                        |                         |
| \$ -                        | \$ 311,142         | \$ -              | \$ -                                   | \$ -                    |
| -                           | 3,035              | -                 | -                                      | -                       |
| -                           | 7,733              | -                 | -                                      | -                       |
| <u>5,708</u>                | <u>-</u>           | <u>-</u>          | <u>15,609</u>                          | <u>-</u>                |
| <u>5,708</u>                | <u>321,910</u>     | <u>-</u>          | <u>15,609</u>                          | <u>-</u>                |
|                             |                    |                   |                                        |                         |
| -                           | -                  | -                 | -                                      | -                       |
| -                           | -                  | -                 | -                                      | -                       |
| -                           | -                  | -                 | -                                      | -                       |
| -                           | -                  | -                 | -                                      | -                       |
| -                           | -                  | 153,512           | -                                      | 63,408                  |
| -                           | 94,009             | -                 | -                                      | -                       |
| -                           | -                  | -                 | -                                      | -                       |
| <u>(5,708)</u>              | <u>-</u>           | <u>-</u>          | <u>(15,609)</u>                        | <u>-</u>                |
| <u>(5,708)</u>              | <u>94,009</u>      | <u>153,512</u>    | <u>(15,609)</u>                        | <u>63,408</u>           |
|                             |                    |                   |                                        |                         |
| <u>\$ -</u>                 | <u>\$ 415,919</u>  | <u>\$ 153,512</u> | <u>\$ -</u>                            | <u>\$ 63,408</u>        |

**CITY OF SOUTH PASADENA**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

|                                                                                | Special Revenue Funds                |                   |                     |                                   |
|--------------------------------------------------------------------------------|--------------------------------------|-------------------|---------------------|-----------------------------------|
|                                                                                | Mission<br>Meridian<br>Public Garage | State Gas<br>Tax  | County Park<br>Bond | Capital<br>Growth<br>Requirements |
| <b>ASSETS</b>                                                                  |                                      |                   |                     |                                   |
| Pooled cash and investments                                                    | \$ -                                 | \$ 890,226        | \$ -                | \$ 588,024                        |
| Receivables:                                                                   |                                      |                   |                     |                                   |
| Accounts                                                                       | -                                    | -                 | -                   | -                                 |
| Taxes                                                                          | -                                    | -                 | -                   | -                                 |
| Accrued interest                                                               | -                                    | 764               | -                   | 505                               |
| Due from other governments                                                     | -                                    | 50,194            | -                   | -                                 |
| <b>Total assets</b>                                                            | <b>\$ -</b>                          | <b>\$ 941,184</b> | <b>\$ -</b>         | <b>\$ 588,529</b>                 |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b>       |                                      |                   |                     |                                   |
| <b>Liabilities:</b>                                                            |                                      |                   |                     |                                   |
| Accounts payable                                                               | \$ 4,227                             | \$ 11,839         | \$ 12,897           | \$ -                              |
| Accrued liabilities                                                            | -                                    | 9,888             | -                   | -                                 |
| Deposits payable                                                               | -                                    | -                 | -                   | -                                 |
| Due to other funds                                                             | 357,829                              | -                 | 197,568             | -                                 |
| <b>Total liabilities</b>                                                       | <b>362,056</b>                       | <b>21,727</b>     | <b>210,465</b>      | <b>-</b>                          |
| <b>Fund Balances (Deficits):</b>                                               |                                      |                   |                     |                                   |
| Restricted for:                                                                |                                      |                   |                     |                                   |
| Community development projects                                                 | -                                    | -                 | -                   | -                                 |
| Public safety - police                                                         | -                                    | -                 | -                   | -                                 |
| Community services                                                             | -                                    | -                 | -                   | -                                 |
| Public works - streets and roads                                               | -                                    | 919,457           | -                   | -                                 |
| Capital projects                                                               | -                                    | -                 | -                   | 588,529                           |
| Public works - street lighting                                                 | -                                    | -                 | -                   | -                                 |
| Committed to:                                                                  |                                      |                   |                     |                                   |
| Capital projects                                                               | -                                    | -                 | -                   | -                                 |
| Unassigned                                                                     | (362,056)                            | -                 | (210,465)           | -                                 |
| <b>Total fund balances (deficits)</b>                                          | <b>(362,056)</b>                     | <b>919,457</b>    | <b>(210,465)</b>    | <b>588,529</b>                    |
| <b>Total liabilities, deferred inflows of<br/>resources, and fund balances</b> | <b>\$ -</b>                          | <b>\$ 941,184</b> | <b>\$ -</b>         | <b>\$ 588,529</b>                 |



(continued)

| Special Revenue Funds |                     |                   |                                 |                       |
|-----------------------|---------------------|-------------------|---------------------------------|-----------------------|
| C.D.B.G               | Asset<br>Forfeiture | Measure<br>W      | Bike and<br>Pedestrian<br>Paths | State Police<br>Grant |
| \$ -                  | \$ 232,277          | \$ 296,261        | \$ -                            | \$ 426,269            |
| -                     | -                   | -                 | -                               | -                     |
| -                     | -                   | -                 | -                               | -                     |
| -                     | 200                 | 260               | -                               | 367                   |
| 38,704                | -                   | -                 | -                               | -                     |
| <u>\$ 38,704</u>      | <u>\$ 232,477</u>   | <u>\$ 296,521</u> | <u>\$ -</u>                     | <u>\$ 426,636</u>     |
|                       |                     |                   |                                 |                       |
| \$ -                  | \$ -                | \$ 14,907         | \$ -                            | \$ 36,767             |
| -                     | -                   | 391               | -                               | -                     |
| -                     | -                   | -                 | -                               | -                     |
| 41,288                | -                   | -                 | -                               | -                     |
| <u>41,288</u>         | <u>-</u>            | <u>15,298</u>     | <u>-</u>                        | <u>36,767</u>         |
|                       |                     |                   |                                 |                       |
| -                     | -                   | -                 | -                               | -                     |
| -                     | 232,477             | -                 | -                               | 389,869               |
| -                     | -                   | -                 | -                               | -                     |
| -                     | -                   | -                 | -                               | -                     |
| -                     | -                   | 281,223           | -                               | -                     |
| -                     | -                   | -                 | -                               | -                     |
| -                     | -                   | -                 | -                               | -                     |
| (2,584)               | -                   | -                 | -                               | -                     |
| <u>(2,584)</u>        | <u>232,477</u>      | <u>281,223</u>    | <u>-</u>                        | <u>389,869</u>        |
|                       |                     |                   |                                 |                       |
| <u>\$ 38,704</u>      | <u>\$ 232,477</u>   | <u>\$ 296,521</u> | <u>\$ -</u>                     | <u>\$ 426,636</u>     |

CITY OF SOUTH PASADENA

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022

|                                                                          | Special Revenue Funds      |                     |                     |                     |
|--------------------------------------------------------------------------|----------------------------|---------------------|---------------------|---------------------|
|                                                                          | Homeland<br>Security Grant | Park Impact<br>Fees | Measure<br>R        | Measure<br>M        |
| <b>ASSETS</b>                                                            |                            |                     |                     |                     |
| Pooled cash and investments                                              | \$ -                       | \$ 905,306          | \$ 1,441,908        | \$ 1,794,606        |
| Receivables:                                                             |                            |                     |                     |                     |
| Accounts                                                                 | -                          | -                   | -                   | -                   |
| Taxes                                                                    | -                          | -                   | -                   | -                   |
| Accrued interest                                                         | -                          | 771                 | 1,212               | 1,499               |
| Due from other governments                                               | -                          | -                   | -                   | -                   |
| Total assets                                                             | <u>\$ -</u>                | <u>\$ 906,077</u>   | <u>\$ 1,443,120</u> | <u>\$ 1,796,105</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b> |                            |                     |                     |                     |
| <b>Liabilities:</b>                                                      |                            |                     |                     |                     |
| Accounts payable                                                         | \$ 125,360                 | \$ 100,191          | \$ -                | \$ -                |
| Accrued liabilities                                                      | -                          | -                   | -                   | -                   |
| Deposits payable                                                         | -                          | -                   | -                   | -                   |
| Due to other funds                                                       | 21,011                     | -                   | -                   | -                   |
| Total liabilities                                                        | <u>146,371</u>             | <u>100,191</u>      | <u>-</u>            | <u>-</u>            |
| <b>Fund Balances (Deficits):</b>                                         |                            |                     |                     |                     |
| Restricted for:                                                          |                            |                     |                     |                     |
| Community development projects                                           | -                          | -                   | -                   | -                   |
| Public safety - police                                                   | -                          | -                   | -                   | -                   |
| Community services                                                       | -                          | 805,886             | -                   | -                   |
| Public works - streets and roads                                         | -                          | -                   | 1,443,120           | 1,796,105           |
| Capital projects                                                         | -                          | -                   | -                   | -                   |
| Public works - street lighting                                           | -                          | -                   | -                   | -                   |
| Committed to:                                                            |                            |                     |                     |                     |
| Capital projects                                                         | -                          | -                   | -                   | -                   |
| Unassigned                                                               | (146,371)                  | -                   | -                   | -                   |
| Total fund balances (deficits)                                           | <u>(146,371)</u>           | <u>805,886</u>      | <u>1,443,120</u>    | <u>1,796,105</u>    |
| Total liabilities, deferred inflows of<br>resources, and fund balances   | <u>\$ -</u>                | <u>\$ 906,077</u>   | <u>\$ 1,443,120</u> | <u>\$ 1,796,105</u> |

(continued)

| Special Revenue Funds   |                     |                             |                    |                  |
|-------------------------|---------------------|-----------------------------|--------------------|------------------|
| TDA/Metro<br>Grant Fund | Public<br>Education | Road Maintenance<br>& Rehab | MSRC<br>Grant Fund | Measure<br>H     |
| \$ 151,338              | \$ 187,914          | \$ 1,147,408                | \$ -               | \$ -             |
| -                       | 1,836               | -                           | -                  | 20,000           |
| -                       | -                   | -                           | -                  | -                |
| 130                     | 162                 | 950                         | -                  | -                |
| -                       | -                   | 93,835                      | -                  | -                |
| <u>\$ 151,468</u>       | <u>\$ 189,912</u>   | <u>\$ 1,242,193</u>         | <u>\$ -</u>        | <u>\$ 20,000</u> |
|                         |                     |                             |                    |                  |
| \$ -                    | \$ -                | \$ -                        | \$ 22,986          | \$ -             |
| -                       | -                   | -                           | -                  | -                |
| -                       | -                   | -                           | -                  | -                |
| -                       | -                   | -                           | 130,000            | 107,699          |
| -                       | -                   | -                           | 152,986            | 107,699          |
|                         |                     |                             |                    |                  |
| -                       | 189,912             | -                           | -                  | -                |
| -                       | -                   | -                           | -                  | -                |
| -                       | -                   | -                           | -                  | -                |
| 151,468                 | -                   | 1,242,193                   | -                  | -                |
| -                       | -                   | -                           | -                  | -                |
| -                       | -                   | -                           | -                  | -                |
| -                       | -                   | -                           | -                  | -                |
| -                       | -                   | -                           | (152,986)          | (87,699)         |
| <u>151,468</u>          | <u>189,912</u>      | <u>1,242,193</u>            | <u>(152,986)</u>   | <u>(87,699)</u>  |
| <u>\$ 151,468</u>       | <u>\$ 189,912</u>   | <u>\$ 1,242,193</u>         | <u>\$ -</u>        | <u>\$ 20,000</u> |

## CITY OF SOUTH PASADENA

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

|                                                                                | Special Revenue Funds |                   |                              |                              |
|--------------------------------------------------------------------------------|-----------------------|-------------------|------------------------------|------------------------------|
|                                                                                | Prop C<br>Exchange    | BTA<br>Grant Fund | Housing<br>Authority<br>Fund | Golden Streets<br>Grant Fund |
| <b>ASSETS</b>                                                                  |                       |                   |                              |                              |
| Pooled cash and investments                                                    | \$ -                  | \$ -              | \$ 119,033                   | \$ -                         |
| Receivables:                                                                   |                       |                   |                              |                              |
| Accounts                                                                       | -                     | -                 | -                            | -                            |
| Taxes                                                                          | -                     | -                 | -                            | -                            |
| Accrued interest                                                               | -                     | -                 | 98                           | -                            |
| Due from other governments                                                     | -                     | -                 | -                            | -                            |
| <b>Total assets</b>                                                            | <b>\$ -</b>           | <b>\$ -</b>       | <b>\$ 119,131</b>            | <b>\$ -</b>                  |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b>       |                       |                   |                              |                              |
| <b>Liabilities:</b>                                                            |                       |                   |                              |                              |
| Accounts payable                                                               | \$ 73,535             | \$ -              | \$ -                         | \$ -                         |
| Accrued liabilities                                                            | -                     | -                 | -                            | -                            |
| Deposits payable                                                               | -                     | -                 | 2,158                        | -                            |
| Due to other funds                                                             | 271,512               | 416,948           | -                            | 311,796                      |
| <b>Total liabilities</b>                                                       | <b>345,047</b>        | <b>416,948</b>    | <b>2,158</b>                 | <b>311,796</b>               |
| <b>Fund Balances (Deficits):</b>                                               |                       |                   |                              |                              |
| Restricted for:                                                                |                       |                   |                              |                              |
| Community development projects                                                 | -                     | -                 | 116,973                      | -                            |
| Public safety - police                                                         | -                     | -                 | -                            | -                            |
| Community services                                                             | -                     | -                 | -                            | -                            |
| Public works - streets and roads                                               | -                     | -                 | -                            | -                            |
| Capital projects                                                               | -                     | -                 | -                            | -                            |
| Public works - street lighting                                                 | -                     | -                 | -                            | -                            |
| Committed to:                                                                  |                       |                   |                              |                              |
| Capital projects                                                               | -                     | -                 | -                            | -                            |
| Unassigned                                                                     | (345,047)             | (416,948)         | -                            | (311,796)                    |
| <b>Total fund balances (deficits)</b>                                          | <b>(345,047)</b>      | <b>(416,948)</b>  | <b>116,973</b>               | <b>(311,796)</b>             |
| <b>Total liabilities, deferred inflows of<br/>resources, and fund balances</b> | <b>\$ -</b>           | <b>\$ -</b>       | <b>\$ 119,131</b>            | <b>\$ -</b>                  |

(continued)

| Special Revenue Funds |                                        | Capital Projects Funds                    |                                 |                                      |
|-----------------------|----------------------------------------|-------------------------------------------|---------------------------------|--------------------------------------|
| HSIP<br>Grant Fund    | Historic<br>Preservation<br>Grant Fund | Facilities &<br>Equip. Capital<br>Project | Technology<br>Surcharge<br>Fund | 2000 Tax<br>Allocation<br>Bonds Fund |
| \$ -                  | \$ 5,622                               | \$ 2,468,660                              | \$ 23,225                       | \$ 924,867                           |
| -                     | -                                      | -                                         | -                               | -                                    |
| -                     | -                                      | -                                         | -                               | -                                    |
| -                     | 5                                      | 2,134                                     | -                               | -                                    |
| -                     | -                                      | -                                         | -                               | -                                    |
| <u>\$ -</u>           | <u>\$ 5,627</u>                        | <u>\$ 2,470,794</u>                       | <u>\$ 23,225</u>                | <u>\$ 924,867</u>                    |
|                       |                                        |                                           |                                 |                                      |
| \$ 121,317            | \$ -                                   | \$ -                                      | \$ -                            | \$ -                                 |
| -                     | -                                      | -                                         | -                               | -                                    |
| -                     | -                                      | -                                         | -                               | -                                    |
| 107,344               | -                                      | -                                         | -                               | -                                    |
| <u>228,661</u>        | <u>-</u>                               | <u>-</u>                                  | <u>-</u>                        | <u>-</u>                             |
|                       |                                        |                                           |                                 |                                      |
| -                     | 5,627                                  | -                                         | -                               | 924,867                              |
| -                     | -                                      | -                                         | -                               | -                                    |
| -                     | -                                      | -                                         | -                               | -                                    |
| -                     | -                                      | -                                         | -                               | -                                    |
| -                     | -                                      | -                                         | -                               | -                                    |
| -                     | -                                      | -                                         | -                               | -                                    |
| -                     | -                                      | 2,470,794                                 | 23,225                          | -                                    |
| (228,661)             | -                                      | -                                         | -                               | -                                    |
| <u>(228,661)</u>      | <u>5,627</u>                           | <u>2,470,794</u>                          | <u>23,225</u>                   | <u>924,867</u>                       |
|                       |                                        |                                           |                                 |                                      |
| <u>\$ -</u>           | <u>\$ 5,627</u>                        | <u>\$ 2,470,794</u>                       | <u>\$ 23,225</u>                | <u>\$ 924,867</u>                    |

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## CITY OF SOUTH PASADENA

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**
**(concluded)**

|                                                                        | Capital<br>Projects Funds              | Total Nonmajor<br>Governmental<br>Funds |
|------------------------------------------------------------------------|----------------------------------------|-----------------------------------------|
|                                                                        | Streets<br>Improvement<br>Program Fund |                                         |
| <b>ASSETS</b>                                                          |                                        |                                         |
| Pooled cash and investments                                            | \$ 2,358,321                           | \$ 17,691,899                           |
| Receivables:                                                           |                                        |                                         |
| Accounts                                                               | -                                      | 30,278                                  |
| Taxes                                                                  | -                                      | 36,437                                  |
| Accrued interest                                                       | -                                      | 12,347                                  |
| Due from other governments                                             | -                                      | 182,733                                 |
|                                                                        |                                        |                                         |
| Total assets                                                           | <u>\$ 2,358,321</u>                    | <u>\$ 17,953,694</u>                    |
|                                                                        |                                        |                                         |
| <b>LIABILITIES AND FUND BALANCES</b>                                   |                                        |                                         |
| <b>Liabilities:</b>                                                    |                                        |                                         |
| Accounts payable                                                       | \$ -                                   | \$ 897,109                              |
| Accrued liabilities                                                    | -                                      | 21,813                                  |
| Deposits payable                                                       | -                                      | 9,891                                   |
| Due to other funds                                                     | -                                      | 2,014,263                               |
|                                                                        |                                        |                                         |
| Total liabilities                                                      | <u>-</u>                               | <u>2,943,076</u>                        |
|                                                                        |                                        |                                         |
| <b>Fund Balances (Deficits):</b>                                       |                                        |                                         |
| Restricted for:                                                        |                                        |                                         |
| Community development projects                                         | -                                      | 1,237,379                               |
| Public safety - police                                                 | -                                      | 622,346                                 |
| Community services                                                     | -                                      | 2,663,951                               |
| Public works - streets and roads                                       | -                                      | 6,769,802                               |
| Capital projects                                                       | -                                      | 1,086,672                               |
| Public works - street lighting                                         | -                                      | 94,009                                  |
| Committed to:                                                          |                                        |                                         |
| Capital projects                                                       | 2,358,321                              | 4,852,340                               |
| Unassigned                                                             | -                                      | (2,315,881)                             |
| Total fund balances (deficits)                                         | <u>2,358,321</u>                       | <u>15,010,618</u>                       |
|                                                                        |                                        |                                         |
| Total liabilities, deferred inflows of<br>resources, and fund balances | <u>\$ 2,358,321</u>                    | <u>\$ 17,953,694</u>                    |

## CITY OF SOUTH PASADENA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022**

|                                                              | Special Revenue Funds            |                     |                     |                                     |
|--------------------------------------------------------------|----------------------------------|---------------------|---------------------|-------------------------------------|
|                                                              | MTA<br>Pedestrian<br>Improvement | Proposition<br>"A"  | Proposition<br>"C"  | CTC Traffic<br>Improvement<br>Grant |
| <b>Revenues</b>                                              |                                  |                     |                     |                                     |
| Taxes                                                        | \$ -                             | \$ 642,891          | \$ 533,265          | \$ -                                |
| Assessments                                                  | -                                | -                   | -                   | -                                   |
| Licenses and permits                                         | -                                | -                   | 5,890               | -                                   |
| Intergovernmental                                            | -                                | -                   | -                   | -                                   |
| Charges for services                                         | -                                | 2,217               | -                   | -                                   |
| Use of money and property                                    | -                                | 5,220               | 3,478               | -                                   |
| Miscellaneous                                                | -                                | 1,000               | -                   | -                                   |
| Total revenues                                               | -                                | 651,328             | 542,633             | -                                   |
| <b>Expenditures</b>                                          |                                  |                     |                     |                                     |
| Current:                                                     |                                  |                     |                     |                                     |
| General government                                           | -                                | 12,902              | 4,491               | -                                   |
| Public safety                                                | -                                | -                   | -                   | -                                   |
| Community development                                        | -                                | -                   | -                   | -                                   |
| Community services                                           | -                                | 264,720             | 242,954             | -                                   |
| Public works                                                 | -                                | -                   | 62,240              | -                                   |
| Capital outlay                                               | -                                | -                   | 69,935              | -                                   |
| Total expenditures                                           | -                                | 277,622             | 379,620             | -                                   |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                                | 373,706             | 163,013             | -                                   |
| <b>Other Financing Sources (Uses)</b>                        |                                  |                     |                     |                                     |
| Transfers in                                                 | -                                | -                   | -                   | 23                                  |
| Total other financing sources (uses)                         | -                                | -                   | -                   | 23                                  |
| Net change in fund balances                                  | -                                | 373,706             | 163,013             | 23                                  |
| Fund Balances (Deficit), beginning                           | (29,951)                         | 1,484,359           | 1,054,446           | (23)                                |
| Fund Balances (Deficit), ending                              | <u>\$ (29,951)</u>               | <u>\$ 1,858,065</u> | <u>\$ 1,217,459</u> | <u>\$ -</u>                         |



(continued)

| Special Revenue Funds       |                    |                   |                                        |                         |
|-----------------------------|--------------------|-------------------|----------------------------------------|-------------------------|
| Rogan HR 5294<br>Grant Fund | Street<br>Lighting | Clean Air<br>Act  | Parking and<br>Business<br>Improvement | Gold Line<br>Mitigation |
| \$ -                        | \$ -               | \$ -              | \$ 56,619                              | \$ -                    |
| -                           | 898,450            | -                 | -                                      | -                       |
| -                           | -                  | -                 | 32,760                                 | -                       |
| -                           | -                  | 32,872            | -                                      | -                       |
| -                           | -                  | -                 | -                                      | -                       |
| -                           | 1,225              | 393               | -                                      | 196                     |
| -                           | 20,437             | -                 | -                                      | -                       |
| -                           | 920,112            | 33,265            | 89,379                                 | 196                     |
| -                           | -                  | -                 | 105,499                                | -                       |
| -                           | -                  | -                 | -                                      | -                       |
| -                           | -                  | -                 | -                                      | -                       |
| -                           | -                  | -                 | -                                      | -                       |
| -                           | 1,178,126          | -                 | -                                      | -                       |
| -                           | 90,923             | -                 | -                                      | -                       |
| -                           | 1,269,049          | -                 | 105,499                                | -                       |
| -                           | (348,937)          | 33,265            | (16,120)                               | 196                     |
| -                           | 68,953             | -                 | -                                      | -                       |
| -                           | 68,953             | -                 | -                                      | -                       |
| -                           | (279,984)          | 33,265            | (16,120)                               | 196                     |
| (5,708)                     | 373,993            | 120,247           | 511                                    | 63,212                  |
| <u>\$ (5,708)</u>           | <u>\$ 94,009</u>   | <u>\$ 153,512</u> | <u>\$ (15,609)</u>                     | <u>\$ 63,408</u>        |

## CITY OF SOUTH PASADENA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022**

|                                                              | Special Revenue Funds                |                  |                     |                                   |
|--------------------------------------------------------------|--------------------------------------|------------------|---------------------|-----------------------------------|
|                                                              | Mission<br>Meridian<br>Public Garage | State Gas<br>Tax | County Park<br>Bond | Capital<br>Growth<br>Requirements |
| <b>Revenues</b>                                              |                                      |                  |                     |                                   |
| Taxes                                                        | \$ -                                 | \$ -             | \$ -                | \$ -                              |
| Assessments                                                  | -                                    | -                | -                   | -                                 |
| Licenses and permits                                         | -                                    | -                | -                   | -                                 |
| Intergovernmental                                            | -                                    | 610,031          | 17,649              | -                                 |
| Charges for services                                         | -                                    | -                | -                   | 37,595                            |
| Use of money and property                                    | -                                    | 2,825            | -                   | 1,759                             |
| Miscellaneous                                                | -                                    | -                | -                   | -                                 |
| Total revenues                                               | -                                    | 612,856          | 17,649              | 39,354                            |
| <b>Expenditures</b>                                          |                                      |                  |                     |                                   |
| Current:                                                     |                                      |                  |                     |                                   |
| General government                                           | 9,051                                | -                | -                   | -                                 |
| Public safety                                                | -                                    | -                | -                   | -                                 |
| Community development                                        | -                                    | -                | -                   | -                                 |
| Community services                                           | -                                    | -                | -                   | -                                 |
| Public works                                                 | -                                    | 613,262          | 54,329              | -                                 |
| Capital outlay                                               | -                                    | -                | -                   | -                                 |
| Total expenditures                                           | 9,051                                | 613,262          | 54,329              | -                                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | (9,051)                              | (406)            | (36,680)            | 39,354                            |
| <b>Other Financing Sources (Uses)</b>                        |                                      |                  |                     |                                   |
| Transfers in                                                 | -                                    | -                | -                   | -                                 |
| Total other financing sources (uses)                         | -                                    | -                | -                   | -                                 |
| Net change in fund balances                                  | (9,051)                              | (406)            | (36,680)            | 39,354                            |
| Fund Balances (Deficit), beginning                           | (353,005)                            | 919,863          | (173,785)           | 549,175                           |
| Fund Balances (Deficit), ending                              | \$ (362,056)                         | \$ 919,457       | \$ (210,465)        | \$ 588,529                        |

(continued)

| Special Revenue Funds |                     |              |                                 |                       |
|-----------------------|---------------------|--------------|---------------------------------|-----------------------|
| C.D.B.G               | Asset<br>Forfeiture | Measure<br>W | Bike and<br>Pedestrian<br>Paths | State Police<br>Grant |
| \$ -                  | \$ -                | \$ -         | \$ -                            | \$ -                  |
| -                     | -                   | -            | -                               | -                     |
| -                     | -                   | -            | -                               | -                     |
| 38,704                | 30,813              | 253,983      | -                               | 161,285               |
| -                     | -                   | -            | -                               | -                     |
| -                     | 669                 | 439          | -                               | 1,279                 |
| 24,355                | -                   | -            | -                               | -                     |
| 63,059                | 31,482              | 254,422      | -                               | 162,564               |
| -                     | -                   | -            | -                               | -                     |
| -                     | 20,100              | -            | -                               | -                     |
| -                     | -                   | -            | -                               | -                     |
| 65,950                | -                   | -            | -                               | -                     |
| -                     | -                   | 94,694       | -                               | -                     |
| -                     | -                   | -            | -                               | 136,767               |
| 65,950                | 20,100              | 94,694       | -                               | 136,767               |
| (2,891)               | 11,382              | 159,728      | -                               | 25,797                |
| 307                   | -                   | -            | -                               | -                     |
| 307                   | -                   | -            | -                               | -                     |
| (2,584)               | 11,382              | 159,728      | -                               | 25,797                |
| -                     | 221,095             | 121,495      | -                               | 364,072               |
| \$ (2,584)            | \$ 232,477          | \$ 281,223   | \$ -                            | \$ 389,869            |

## CITY OF SOUTH PASADENA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022**

|                                                              | Special Revenue Funds      |                     |              |              |
|--------------------------------------------------------------|----------------------------|---------------------|--------------|--------------|
|                                                              | Homeland<br>Security Grant | Park Impact<br>Fees | Measure<br>R | Measure<br>M |
| <b>Revenues</b>                                              |                            |                     |              |              |
| Taxes                                                        | \$ -                       | \$ -                | \$ 399,884   | \$ 452,515   |
| Assessments                                                  | -                          | -                   | -            | -            |
| Licenses and permits                                         | -                          | -                   | -            | -            |
| Intergovernmental                                            | -                          | -                   | -            | -            |
| Charges for services                                         | -                          | 103,108             | -            | -            |
| Use of money and property                                    | -                          | 2,675               | 3,864        | 4,907        |
| Miscellaneous                                                | -                          | -                   | -            | -            |
| Total revenues                                               | -                          | 105,783             | 403,748      | 457,422      |
| <b>Expenditures</b>                                          |                            |                     |              |              |
| Current:                                                     |                            |                     |              |              |
| General government                                           | -                          | -                   | -            | -            |
| Public safety                                                | -                          | -                   | -            | -            |
| Community development                                        | -                          | -                   | -            | -            |
| Community services                                           | -                          | 15,035              | -            | -            |
| Public works                                                 | -                          | -                   | -            | -            |
| Capital outlay                                               | 125,360                    | 138,744             | 31,773       | -            |
| Total expenditures                                           | 125,360                    | 153,779             | 31,773       | -            |
| Excess (deficiency) of revenues<br>over (under) expenditures | (125,360)                  | (47,996)            | 371,975      | 457,422      |
| <b>Other Financing Sources (Uses)</b>                        |                            |                     |              |              |
| Transfers in                                                 | -                          | -                   | -            | -            |
| Total other financing sources (uses)                         | -                          | -                   | -            | -            |
| Net change in fund balances                                  | (125,360)                  | (47,996)            | 371,975      | 457,422      |
| Fund Balances (Deficit), beginning                           | (21,011)                   | 853,882             | 1,071,145    | 1,338,683    |
| Fund Balances (Deficit), ending                              | \$ (146,371)               | \$ 805,886          | \$ 1,443,120 | \$ 1,796,105 |

(continued)

| Special Revenue Funds   |                     |                             |                    |              |
|-------------------------|---------------------|-----------------------------|--------------------|--------------|
| TDA/Metro<br>Grant Fund | Public<br>Education | Road Maintenance<br>& Rehab | MSRC<br>Grant Fund | Measure<br>H |
| \$ -                    | \$ -                | \$ -                        | \$ -               | \$ -         |
| -                       | -                   | -                           | -                  | -            |
| -                       | -                   | -                           | -                  | -            |
| -                       | 7,668               | 523,795                     | 20,000             | -            |
| -                       | -                   | -                           | -                  | 43,473       |
| 475                     | 562                 | 2,748                       | -                  | -            |
| -                       | -                   | -                           | -                  | -            |
| 475                     | 8,230               | 526,543                     | 20,000             | 43,473       |
| -                       | -                   | -                           | -                  | -            |
| -                       | -                   | -                           | -                  | 50,982       |
| -                       | -                   | -                           | -                  | -            |
| -                       | -                   | -                           | -                  | -            |
| -                       | -                   | -                           | -                  | -            |
| 18,100                  | -                   | -                           | 22,986             | -            |
| 18,100                  | -                   | -                           | 22,986             | 50,982       |
| (17,625)                | 8,230               | 526,543                     | (2,986)            | (7,509)      |
| -                       | -                   | -                           | -                  | -            |
| -                       | -                   | -                           | -                  | -            |
| (17,625)                | 8,230               | 526,543                     | (2,986)            | (7,509)      |
| 169,093                 | 181,682             | 715,650                     | (150,000)          | (80,190)     |
| \$ 151,468              | \$ 189,912          | \$ 1,242,193                | \$ (152,986)       | \$ (87,699)  |

## CITY OF SOUTH PASADENA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                                              | Special Revenue Funds |                     |                              |                              |
|--------------------------------------------------------------|-----------------------|---------------------|------------------------------|------------------------------|
|                                                              | Prop C<br>Exchange    | BTA<br>Grant Fund   | Housing<br>Authority<br>Fund | Golden Streets<br>Grant Fund |
| <b>Revenues</b>                                              |                       |                     |                              |                              |
| Taxes                                                        | \$ -                  | \$ -                | \$ -                         | \$ -                         |
| Assessments                                                  | -                     | -                   | -                            | -                            |
| Licenses and permits                                         | -                     | -                   | -                            | -                            |
| Intergovernmental                                            | 7,672                 | -                   | -                            | -                            |
| Charges for services                                         | -                     | -                   | -                            | -                            |
| Use of money and property                                    | -                     | -                   | 36,161                       | -                            |
| Miscellaneous                                                | -                     | -                   | -                            | -                            |
| Total revenues                                               | 7,672                 | -                   | 36,161                       | -                            |
| <b>Expenditures</b>                                          |                       |                     |                              |                              |
| Current:                                                     |                       |                     |                              |                              |
| General government                                           | -                     | -                   | -                            | -                            |
| Public safety                                                | -                     | -                   | -                            | -                            |
| Community development                                        | -                     | -                   | 372                          | -                            |
| Community services                                           | -                     | -                   | -                            | -                            |
| Public works                                                 | -                     | -                   | -                            | 301,052                      |
| Capital outlay                                               | 364,015               | -                   | -                            | -                            |
| Total expenditures                                           | 364,015               | -                   | 372                          | 301,052                      |
| Excess (deficiency) of revenues<br>over (under) expenditures | (356,343)             | -                   | 35,789                       | (301,052)                    |
| <b>Other Financing Sources (Uses)</b>                        |                       |                     |                              |                              |
| Transfers in                                                 | -                     | -                   | -                            | 14,170                       |
| Total other financing sources (uses)                         | -                     | -                   | -                            | 14,170                       |
| Net change in fund balances                                  | (356,343)             | -                   | 35,789                       | (286,882)                    |
| Fund Balances (Deficit), beginning                           | 11,296                | (416,948)           | 81,184                       | (24,914)                     |
| Fund Balances (Deficit), ending                              | <u>\$ (345,047)</u>   | <u>\$ (416,948)</u> | <u>\$ 116,973</u>            | <u>\$ (311,796)</u>          |

(continued)

| Special Revenue Funds |                                        | Capital Projects Funds                    |                                 |                                      |
|-----------------------|----------------------------------------|-------------------------------------------|---------------------------------|--------------------------------------|
| HSIP<br>Grant Fund    | Historic<br>Preservation<br>Grant Fund | Facilities &<br>Equip. Capital<br>Project | Technology<br>Surcharge<br>Fund | 2000 Tax<br>Allocation<br>Bonds Fund |
| \$ -                  | \$ -                                   | \$ -                                      | \$ -                            | \$ -                                 |
| -                     | -                                      | -                                         | -                               | -                                    |
| -                     | -                                      | -                                         | -                               | -                                    |
| 163                   | 40,000                                 | -                                         | -                               | -                                    |
| -                     | -                                      | -                                         | 20,099                          | -                                    |
| -                     | 13                                     | 7,694                                     | -                               | -                                    |
| -                     | -                                      | -                                         | -                               | -                                    |
| 163                   | 40,013                                 | 7,694                                     | 20,099                          | -                                    |
| -                     | -                                      | -                                         | -                               | -                                    |
| -                     | -                                      | -                                         | -                               | -                                    |
| -                     | -                                      | -                                         | -                               | -                                    |
| -                     | 39,488                                 | -                                         | -                               | -                                    |
| -                     | -                                      | -                                         | -                               | -                                    |
| 184,123               | -                                      | 114,187                                   | -                               | -                                    |
| 184,123               | 39,488                                 | 114,187                                   | -                               | -                                    |
| (183,960)             | 525                                    | (106,493)                                 | 20,099                          | -                                    |
| -                     | -                                      | 47,247                                    | -                               | -                                    |
| -                     | -                                      | 47,247                                    | -                               | -                                    |
| (183,960)             | 525                                    | (59,246)                                  | 20,099                          | -                                    |
| (44,701)              | 5,102                                  | 2,530,040                                 | 3,126                           | 924,867                              |
| \$ (228,661)          | \$ 5,627                               | \$ 2,470,794                              | \$ 23,225                       | \$ 924,867                           |

## CITY OF SOUTH PASADENA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

(concluded)

|                                                              | Capital<br>Projects Funds<br>Streets<br>Improvement<br>Program Fund | Total Nonmajor<br>Governmental<br>Funds |
|--------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------|
| <b>Revenues</b>                                              |                                                                     |                                         |
| Taxes                                                        | \$ -                                                                | \$ 2,085,174                            |
| Assessments                                                  | -                                                                   | 898,450                                 |
| Licenses and permits                                         | -                                                                   | 38,650                                  |
| Intergovernmental                                            | -                                                                   | 1,744,635                               |
| Charges for services                                         | -                                                                   | 206,492                                 |
| Use of money and property                                    | (64,442)                                                            | 12,140                                  |
| Miscellaneous                                                | -                                                                   | 45,792                                  |
|                                                              |                                                                     |                                         |
| Total revenues                                               | (64,442)                                                            | 5,031,333                               |
| <b>Expenditures</b>                                          |                                                                     |                                         |
| Current:                                                     |                                                                     |                                         |
| General government                                           | -                                                                   | 131,943                                 |
| Public safety                                                | -                                                                   | 71,082                                  |
| Community development                                        | -                                                                   | 372                                     |
| Community services                                           | -                                                                   | 628,147                                 |
| Public works                                                 | -                                                                   | 2,303,703                               |
| Capital outlay                                               | 53,566                                                              | 1,350,479                               |
|                                                              |                                                                     |                                         |
| Total expenditures                                           | 53,566                                                              | 4,485,726                               |
|                                                              |                                                                     |                                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | (118,008)                                                           | 545,607                                 |
| <b>Other Financing Sources (Uses)</b>                        |                                                                     |                                         |
| Transfers in                                                 | -                                                                   | 130,700                                 |
|                                                              |                                                                     |                                         |
| Total other financing sources (uses)                         | -                                                                   | 130,700                                 |
|                                                              |                                                                     |                                         |
| Net change in fund balances                                  | (118,008)                                                           | 676,307                                 |
|                                                              |                                                                     |                                         |
| Fund Balances (Deficit), beginning                           | 2,476,329                                                           | 14,334,311                              |
|                                                              |                                                                     |                                         |
| Fund Balances (Deficit), ending                              | \$ 2,358,321                                                        | \$ 15,010,618                           |



**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
PROPOSITION "A"  
FOR THE YEAR ENDED JUNE 30, 2022**

|                            | Budgeted Amounts |              | Actual       | Variance with |
|----------------------------|------------------|--------------|--------------|---------------|
|                            | Original         | Final        | Amount       | Final Budget  |
| <b>Revenues</b>            |                  |              |              |               |
| Taxes                      | \$ 514,111       | \$ 514,111   | \$ 642,891   | \$ 128,780    |
| Charges for services       | 5,000            | 5,000        | 2,217        | (2,783)       |
| Use of money and property  | 10,000           | 10,000       | 5,220        | (4,780)       |
| Miscellaneous              | 12,500.00        | 12,500.00    | 1,000        | (11,500)      |
| Total revenues             | 541,611          | 541,611      | 651,328      | 109,717       |
| <b>Expenditures</b>        |                  |              |              |               |
| Current:                   |                  |              |              |               |
| General government         | 15,237           | 15,237       | 12,902       | 2,335         |
| Community services         | 443,735          | 443,735      | 264,720      | 179,015       |
| Capital outlay             | 114,000          | 391,694      | -            | 391,694       |
| Total expenditures         | 572,972          | 850,666      | 277,622      | 573,044       |
| Net change in fund balance | (31,361)         | (309,055)    | 373,706      | 682,761       |
| Fund balance, beginning    | 1,484,359        | 1,484,359    | 1,484,359    | -             |
| Fund balance, ending       | \$ 1,452,998     | \$ 1,175,304 | \$ 1,858,065 | \$ 682,761    |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
PROPOSITION "C"  
FOR THE YEAR ENDED JUNE 30, 2022**

|                            | Budgeted Amounts    |                   | Actual              | Variance with     |
|----------------------------|---------------------|-------------------|---------------------|-------------------|
|                            | Original            | Final             | Amount              | Final Budget      |
| <b>Revenues</b>            |                     |                   |                     |                   |
| Taxes                      | \$ 426,442          | \$ 426,442        | \$ 533,265          | \$ 106,823        |
| Licenses and permits       | 40,000              | 40,000            | 5,890               | (34,110)          |
| Use of money and property  | 9,000               | 9,000             | 3,478               | (5,522)           |
| Total revenues             | <u>475,442</u>      | <u>475,442</u>    | <u>542,633</u>      | <u>67,191</u>     |
| <b>Expenditures</b>        |                     |                   |                     |                   |
| Current:                   |                     |                   |                     |                   |
| General government         | 6,530               | 6,530             | 4,491               | 2,039             |
| Community services         | 330,853             | 367,355           | 242,954             | 124,401           |
| Public works               | -                   | 62,830            | 62,240              | 590               |
| Capital outlay             | 28,000              | 131,540           | 69,935              | 61,605            |
| Total expenditures         | <u>365,383</u>      | <u>568,255</u>    | <u>379,620</u>      | <u>188,635</u>    |
| Net change in fund balance | 110,059             | (92,813)          | 163,013             | 255,826           |
| Fund balance, beginning    | <u>1,054,446</u>    | <u>1,054,446</u>  | <u>1,054,446</u>    | <u>-</u>          |
| Fund balance, ending       | <u>\$ 1,164,505</u> | <u>\$ 961,633</u> | <u>\$ 1,217,459</u> | <u>\$ 255,826</u> |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
CTC TRAFFIC IMPROVEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                                              | Budgeted Amounts |       | Actual | Variance with |
|--------------------------------------------------------------|------------------|-------|--------|---------------|
|                                                              | Original         | Final | Amount | Final Budget  |
| <b>Revenues</b>                                              |                  |       |        |               |
| Total revenues                                               | \$ -             | \$ -  | \$ -   | \$ -          |
| <b>Expenditures</b>                                          |                  |       |        |               |
| Total expenditures                                           | -                | -     | -      | -             |
| Excess (deficiency) of revenues over<br>(under) expenditures | -                | -     | -      | -             |
| <b>Other Financing Sources (Uses)</b>                        |                  |       |        |               |
| Transfers in                                                 | 23               | 23    | 23     | -             |
| Total other financing sources (uses)                         | 23               | 23    | 23     | -             |
| Net change in fund balance                                   | 23               | 23    | 23     | -             |
| Fund balance, beginning                                      | (23)             | (23)  | (23)   | -             |
| Fund balance, ending                                         | \$ -             | \$ -  | \$ -   | \$ -          |

## CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
STREET LIGHTING  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                                              | Budgeted Amounts |            | Actual<br>Amounts | Variance with<br>Final Budget |
|--------------------------------------------------------------|------------------|------------|-------------------|-------------------------------|
|                                                              | Original         | Final      |                   |                               |
| <b>Revenues</b>                                              |                  |            |                   |                               |
| Assessments                                                  | \$ 900,000       | \$ 900,000 | \$ 898,450        | \$ (1,550)                    |
| Use of money and property                                    | 4,000            | 4,000      | 1,225             | (2,775)                       |
| Miscellaneous                                                | 10,000           | 10,000     | 20,437            | 10,437                        |
| Total revenues                                               | 914,000          | 914,000    | 920,112           | 6,112                         |
| <b>Expenditures</b>                                          |                  |            |                   |                               |
| Current:                                                     |                  |            |                   |                               |
| Public works                                                 | 1,182,881        | 1,250,581  | 1,178,126         | 72,455                        |
| Capital outlay                                               | 95,000           | 95,000     | 90,923            | 4,077                         |
| Total expenditures                                           | 1,277,881        | 1,345,581  | 1,269,049         | 76,532                        |
| Excess (deficiency) of revenues over<br>(under) expenditures | (363,881)        | (431,581)  | (348,937)         | 82,644                        |
| <b>Other Financing Sources (Uses)</b>                        |                  |            |                   |                               |
| Transfers in                                                 | 68,953           | 68,953     | 68,953            | -                             |
| Total other financing sources (uses)                         | 68,953           | 68,953     | 68,953            | -                             |
| Net change in fund balance                                   | (294,928)        | (362,628)  | (279,984)         | 82,644                        |
| Fund balance, beginning                                      | 373,993          | 373,993    | 373,993           | -                             |
| Fund balance, ending                                         | \$ 79,065        | \$ 11,365  | \$ 94,009         | \$ 82,644                     |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
CLEAN AIR ACT  
FOR THE YEAR ENDED JUNE 30, 2022**

|                            | Budgeted Amounts |            | Actual     | Variance with |
|----------------------------|------------------|------------|------------|---------------|
|                            | Original         | Final      | Amount     | Final Budget  |
| <b>Revenues</b>            |                  |            |            |               |
| Intergovernmental          | \$ 33,200        | \$ 33,200  | \$ 32,872  | \$ (328)      |
| Use of money and property  | 1,500            | 1,500      | 393        | (1,107)       |
| Total revenues             | 34,700           | 34,700     | 33,265     | (1,435)       |
| <b>Expenditures</b>        |                  |            |            |               |
| Current:                   |                  |            |            |               |
| General government         | 15,000           | 15,000     | -          | 15,000        |
| Capital outlay             | 35,500           | 35,500     | -          | 35,500        |
| Total expenditures         | 50,500           | 50,500     | -          | 50,500        |
| Net change in fund balance | (15,800)         | (15,800)   | 33,265     | 49,065        |
| Fund balance, beginning    | 120,247          | 120,247    | 120,247    | -             |
| Fund balance, ending       | \$ 104,447       | \$ 104,447 | \$ 153,512 | \$ 49,065     |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
PARKING AND BUSINESS DEVELOPMENT  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                | Budgeted Amounts   |                    | Actual             | Variance with    |
|--------------------------------|--------------------|--------------------|--------------------|------------------|
|                                | Original           | Final              | Amount             | Final Budget     |
| <b>Revenues</b>                |                    |                    |                    |                  |
| Taxes                          | \$ 55,790          | \$ 55,790          | \$ 56,619          | \$ 829           |
| Licenses and permits           | 22,240             | 22,240             | 32,760             | 10,520           |
| Use of money and property      | 500                | 500                | -                  | (500)            |
| Total revenues                 | <u>78,530</u>      | <u>78,530</u>      | <u>89,379</u>      | <u>10,849</u>    |
| <b>Expenditures</b>            |                    |                    |                    |                  |
| Current:                       |                    |                    |                    |                  |
| General government             | 109,500            | 109,500            | 105,499            | 4,001            |
| Total expenditures             | <u>109,500</u>     | <u>109,500</u>     | <u>105,499</u>     | <u>4,001</u>     |
| Net change in fund balance     | (30,970)           | (30,970)           | (16,120)           | 14,850           |
| Fund balance, beginning        | <u>511</u>         | <u>511</u>         | <u>511</u>         | <u>-</u>         |
| Fund balance (deficit), ending | <u>\$ (30,459)</u> | <u>\$ (30,459)</u> | <u>\$ (15,609)</u> | <u>\$ 14,850</u> |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
MISSION MERIDIAN PUBLIC GARAGE  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                   | Budgeted Amounts    |                     | Actual              | Variance with   |
|-----------------------------------|---------------------|---------------------|---------------------|-----------------|
|                                   | Original            | Final               | Amount              | Final Budget    |
| <b>Revenues</b>                   |                     |                     |                     |                 |
| Total revenues                    | \$ -                | \$ -                | \$ -                | \$ -            |
| <b>Expenditures</b>               |                     |                     |                     |                 |
| Current:                          |                     |                     |                     |                 |
| General government                | 15,000              | 15,300              | 9,051               | 6,249           |
| Total expenditures                | 15,000              | 15,300              | 9,051               | 6,249           |
| Net change in fund balance        | (15,000)            | (15,300)            | (9,051)             | 6,249           |
| Fund balance (deficit), beginning | (353,005)           | (353,005)           | (353,005)           | -               |
| Fund balance (deficit), ending    | <u>\$ (368,005)</u> | <u>\$ (368,305)</u> | <u>\$ (362,056)</u> | <u>\$ 6,249</u> |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
STATE GAS TAX  
FOR THE YEAR ENDED JUNE 30, 2022**

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|                            | Budgeted Amounts  |                   | Actual            | Variance with     |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
|                            | Original          | Final             | Amounts           | Final Budget      |
| <b>Revenues</b>            |                   |                   |                   |                   |
| Intergovernmental          | \$ 618,563        | \$ 618,563        | \$ 610,031        | \$ (8,532)        |
| Use of money and property  | 10,000            | 10,000            | 2,825             | (7,175)           |
| Total revenues             | <u>628,563</u>    | <u>628,563</u>    | <u>612,856</u>    | <u>(15,707)</u>   |
| <b>Expenditures</b>        |                   |                   |                   |                   |
| Current:                   |                   |                   |                   |                   |
| Public works               | 693,386           | 803,386           | 613,262           | 190,124           |
| Capital outlay             | 27,000            | 27,000            | -                 | 27,000            |
| Total expenditures         | <u>720,386</u>    | <u>830,386</u>    | <u>613,262</u>    | <u>217,124</u>    |
| Net change in fund balance | (91,823)          | (201,823)         | (406)             | 201,417           |
| Fund balance, beginning    | <u>919,863</u>    | <u>919,863</u>    | <u>919,863</u>    | <u>-</u>          |
| Fund balance, ending       | <u>\$ 828,040</u> | <u>\$ 718,040</u> | <u>\$ 919,457</u> | <u>\$ 201,417</u> |



**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
COUNTY PARK BOND  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                   | Budgeted Amounts |            | Actual       | Variance with |
|-----------------------------------|------------------|------------|--------------|---------------|
|                                   | Original         | Final      | Amount       | Final Budget  |
| <b>Revenues</b>                   |                  |            |              |               |
| Intergovernmental                 | \$ 336,431       | \$ 336,431 | \$ 17,649    | \$ (318,782)  |
| Total revenues                    | 336,431          | 336,431    | 17,649       | (318,782)     |
| <b>Expenditures</b>               |                  |            |              |               |
| Current:                          |                  |            |              |               |
| Public works                      | 82,500           | 82,500     | 54,329       | 28,171        |
| Total expenditures                | 82,500           | 82,500     | 54,329       | 28,171        |
| Net change in fund balance        | 253,931          | 253,931    | (36,680)     | (290,611)     |
| Fund balance (deficit), beginning | (173,785)        | (173,785)  | (173,785)    | -             |
| Fund balance (deficit), ending    | \$ 80,146        | \$ 80,146  | \$ (210,465) | \$ (290,611)  |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
CAPITAL GROWTH REQUIREMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

|                            | Budgeted Amounts |            | Actual     | Variance with |
|----------------------------|------------------|------------|------------|---------------|
|                            | Original         | Final      | Amount     | Final Budget  |
| <b>Revenues</b>            |                  |            |            |               |
| Charges for services       | \$ 40,000        | \$ 40,000  | \$ 37,595  | \$ (2,405)    |
| Use of money and property  | -                | -          | 1,759      | 1,759         |
| Total revenues             | 40,000           | 40,000     | 39,354     | (646)         |
| <b>Expenditures</b>        |                  |            |            |               |
| Capital outlay             | -                | 450,000    | -          | 450,000       |
| Total expenditures         | -                | 450,000    | -          | 450,000       |
| Net change in fund balance | 40,000           | (410,000)  | 39,354     | 449,354       |
| Fund balance, beginning    | 549,175          | 549,175    | 549,175    | -             |
| Fund balance, ending       | \$ 589,175       | \$ 139,175 | \$ 588,529 | \$ 449,354    |

## CITY OF SOUTH PASADENA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
CDBG  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                                              | Budgeted Amounts |            | Actual<br>Amounts | Variance with<br>Final Budget |
|--------------------------------------------------------------|------------------|------------|-------------------|-------------------------------|
|                                                              | Original         | Final      |                   |                               |
| <b>Revenues</b>                                              |                  |            |                   |                               |
| Intergovernmental                                            | \$ 258,567       | \$ 258,567 | \$ 38,704         | \$ (219,863)                  |
| Miscellaneous                                                | 23,900           | 23,900     | 24,355            | 455                           |
| Total revenues                                               | 282,467          | 282,467    | 63,059            | (219,408)                     |
| <b>Expenditures</b>                                          |                  |            |                   |                               |
| Current:                                                     |                  |            |                   |                               |
| Community services                                           | 42,000           | 42,000     | 65,950            | (23,950)                      |
| Capital outlay                                               | 216,567          | 216,567    | -                 | 216,567                       |
| Total expenditures                                           | 258,567          | 258,567    | 65,950            | 192,617                       |
| Excess (deficiency) of revenues over<br>(under) expenditures | 23,900           | 23,900     | (2,891)           | (26,791)                      |
| <b>Other Financing Sources (Uses)</b>                        |                  |            |                   |                               |
| Transfers in                                                 | 307              | 307        | 307               | -                             |
| Total other financing sources (uses)                         | 307              | 307        | 307               | -                             |
| Net change in fund balance                                   | 24,207           | 24,207     | (2,584)           | (26,791)                      |
| Fund balance (deficit), beginning                            | -                | -          | -                 | -                             |
| Fund balance (deficit), ending                               | \$ 24,207        | \$ 24,207  | \$ (2,584)        | \$ (26,791)                   |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
MEASURE W  
FOR THE YEAR ENDED JUNE 30, 2022**

|                            | Budgeted Amounts  |                   | Actual            | Variance with     |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
|                            | Original          | Final             | Amounts           | Final Budget      |
| <b>Revenues</b>            |                   |                   |                   |                   |
| Intergovernmental          | \$ 229,227        | \$ 229,227        | \$ 253,983        | \$ 24,756         |
| Use of money and property  | -                 | -                 | 439               | 439               |
| Total revenues             | <u>229,227</u>    | <u>229,227</u>    | <u>254,422</u>    | <u>25,195</u>     |
| <b>Expenditures</b>        |                   |                   |                   |                   |
| Current:                   |                   |                   |                   |                   |
| Public works               | <u>229,227</u>    | <u>229,227</u>    | <u>94,694</u>     | <u>134,533</u>    |
| Total expenditures         | <u>229,227</u>    | <u>229,227</u>    | <u>94,694</u>     | <u>134,533</u>    |
| Net change in fund balance | -                 | -                 | 159,728           | 159,728           |
| Fund balance, beginning    | <u>121,495</u>    | <u>121,495</u>    | <u>121,495</u>    | <u>-</u>          |
| Fund balance, ending       | <u>\$ 121,495</u> | <u>\$ 121,495</u> | <u>\$ 281,223</u> | <u>\$ 159,728</u> |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
ASSET FORFEITURE  
FOR THE YEAR ENDED JUNE 30, 2022**

|                            | Budgeted Amounts |            | Actual     | Variance with |
|----------------------------|------------------|------------|------------|---------------|
|                            | Original         | Final      | Amounts    | Final Budget  |
| <b>Revenues</b>            |                  |            |            |               |
| Intergovernmental          | \$ -             | \$ -       | \$ 30,813  | \$ 30,813     |
| Use of money and property  | -                | -          | 669        | 669           |
| Total revenues             | -                | -          | 31,482     | 31,482        |
| <b>Expenditures</b>        |                  |            |            |               |
| Current:                   |                  |            |            |               |
| Public Safety              | 10,000           | 10,000     | 20,100     | (10,100)      |
| Capital outlay             | 50,000           | 50,000     | -          | 50,000        |
| Total expenditures         | 60,000           | 60,000     | 20,100     | 39,900        |
| Net change in fund balance | (60,000)         | (60,000)   | 11,382     | 71,382        |
| Fund balance, beginning    | 221,095          | 221,095    | 221,095    | -             |
| Fund balance, ending       | \$ 161,095       | \$ 161,095 | \$ 232,477 | \$ 71,382     |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
BIKE AND PEDESTRIAN PATHS  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                                              | Budgeted Amounts |          | Actual  | Variance with |
|--------------------------------------------------------------|------------------|----------|---------|---------------|
|                                                              | Original         | Final    | Amounts | Final Budget  |
| <b>Revenues</b>                                              |                  |          |         |               |
| Total revenues                                               | \$ -             | \$ -     | \$ -    | \$ -          |
| <b>Expenditures</b>                                          |                  |          |         |               |
| Total expenditures                                           | -                | -        | -       | -             |
| Excess (deficiency) of revenues over<br>(under) expenditures | -                | -        | -       | -             |
| <b>Other Financing Sources (Uses)</b>                        |                  |          |         |               |
| Transfers in                                                 | 4,828            | 4,828    | -       | (4,828)       |
| Total other financing sources (uses)                         | 4,828            | 4,828    | -       | (4,828)       |
| Net change in fund balance                                   | 4,828            | 4,828    | -       | (4,828)       |
| Fund balance, beginning                                      | -                | -        | -       | -             |
| Fund balance (deficit), ending                               | \$ 4,828         | \$ 4,828 | \$ -    | \$ (4,828)    |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
STATE POLICE GRANT  
FOR THE YEAR ENDED JUNE 30, 2022**

|                            | Budgeted Amounts  |                   | Actual            | Variance with    |
|----------------------------|-------------------|-------------------|-------------------|------------------|
|                            | Original          | Final             | Amounts           | Final Budget     |
| <b>Revenues</b>            |                   |                   |                   |                  |
| Intergovernmental          | \$ 100,000        | \$ 100,000        | \$ 161,285        | \$ 61,285        |
| Use of money and property  | 2,500             | 2,500             | 1,279             | (1,221)          |
| Total revenues             | <u>102,500</u>    | <u>102,500</u>    | <u>162,564</u>    | <u>60,064</u>    |
| <b>Expenditures</b>        |                   |                   |                   |                  |
| Capital outlay             | 166,767           | 166,767           | 136,767           | 30,000           |
| Total expenditures         | <u>166,767</u>    | <u>166,767</u>    | <u>136,767</u>    | <u>30,000</u>    |
| Net change in fund balance | (64,267)          | (64,267)          | 25,797            | 90,064           |
| Fund balance, beginning    | <u>364,072</u>    | <u>364,072</u>    | <u>364,072</u>    | <u>-</u>         |
| Fund balance, ending       | <u>\$ 299,805</u> | <u>\$ 299,805</u> | <u>\$ 389,869</u> | <u>\$ 90,064</u> |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
HOMELAND SECURITY GRANT  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                   | Budgeted Amounts   |                     | Actual              | Variance with      |
|-----------------------------------|--------------------|---------------------|---------------------|--------------------|
|                                   | Original           | Final               | Amounts             | Final Budget       |
| <b>Revenues</b>                   |                    |                     |                     |                    |
| Total revenues                    | \$ -               | \$ -                | \$ -                | \$ -               |
| <b>Expenditures</b>               |                    |                     |                     |                    |
| Capital outlay                    | -                  | 107,049             | 125,360             | (18,311)           |
| Total expenditures                | -                  | 107,049             | 125,360             | (18,311)           |
| Net change in fund balance        | -                  | (107,049)           | (125,360)           | (18,311)           |
| Fund balance (deficit), beginning | (21,011)           | (21,011)            | (21,011)            | -                  |
| Fund balance (deficit), ending    | <u>\$ (21,011)</u> | <u>\$ (128,060)</u> | <u>\$ (146,371)</u> | <u>\$ (18,311)</u> |



**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
PARK IMPACT FEES  
FOR THE YEAR ENDED JUNE 30, 2022**

|                            | Budgeted Amounts |            | Actual     | Variance with |
|----------------------------|------------------|------------|------------|---------------|
|                            | Original         | Final      | Amounts    | Final Budget  |
| <b>Revenues</b>            |                  |            |            |               |
| Charges for services       | \$ 160,000       | \$ 160,000 | \$ 103,108 | \$ (56,892)   |
| Use of money and property  | 6,000            | 6,000      | 2,675      | (3,325)       |
| Total revenues             | 166,000          | 166,000    | 105,783    | (60,217)      |
| <b>Expenditures</b>        |                  |            |            |               |
| Current:                   |                  |            |            |               |
| Community services         | -                | 25,870     | 15,035     | 10,835        |
| Capital outlay             | -                | 190,000    | 138,744    | 51,256        |
| Total expenditures         | -                | 215,870    | 153,779    | 62,091        |
| Net change in fund balance | 166,000          | (49,870)   | (47,996)   | 1,874         |
| Fund balance, beginning    | 853,882          | 853,882    | 853,882    | -             |
| Fund balance, ending       | \$ 1,019,882     | \$ 804,012 | \$ 805,886 | \$ 1,874      |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
MEASURE R  
FOR THE YEAR ENDED JUNE 30, 2022**

|                            | Budgeted Amounts |            | Actual       | Variance with |
|----------------------------|------------------|------------|--------------|---------------|
|                            | Original         | Final      | Amount       | Final Budget  |
| <b>Revenues</b>            |                  |            |              |               |
| Taxes                      | \$ 319,831       | \$ 319,831 | \$ 399,884   | \$ 80,053     |
| Use of money and property  | 10,000           | 10,000     | 3,864        | (6,136)       |
| Total revenues             | 329,831          | 329,831    | 403,748      | 73,917        |
| <b>Expenditures</b>        |                  |            |              |               |
| Current:                   |                  |            |              |               |
| Public works               | 13,404           | 13,404     | -            | 13,404        |
| Capital outlay             | 600,000          | 679,431    | 31,773       | 647,658       |
| Total expenditures         | 613,404          | 692,835    | 31,773       | 661,062       |
| Net change in fund balance | (283,573)        | (363,004)  | 371,975      | 734,979       |
| Fund balance, beginning    | 1,071,145        | 1,071,145  | 1,071,145    | -             |
| Fund balance, ending       | \$ 787,572       | \$ 708,141 | \$ 1,443,120 | \$ 734,979    |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
MEASURE M  
FOR THE YEAR ENDED JUNE 30, 2022**

|                            | Budgeted Amounts |              | Actual       | Variance with |
|----------------------------|------------------|--------------|--------------|---------------|
|                            | Original         | Final        | Amount       | Final Budget  |
| <b>Revenues</b>            |                  |              |              |               |
| Taxes                      | \$ 362,475       | \$ 362,475   | \$ 452,515   | \$ 90,040     |
| Use of money and property  | 7,000            | 7,000        | 4,907        | (2,093)       |
| Total revenues             | 369,475          | 369,475      | 457,422      | 87,947        |
| <b>Expenditures</b>        |                  |              |              |               |
| Current:                   |                  |              |              |               |
| Public works               | 13,404           | 13,404       | -            | 13,404        |
| Total expenditures         | 13,404           | 13,404       | -            | 13,404        |
| Net change in fund balance | 356,071          | 356,071      | 457,422      | 101,351       |
| Fund balance, beginning    | 1,338,683        | 1,338,683    | 1,338,683    | -             |
| Fund balance, ending       | \$ 1,694,754     | \$ 1,694,754 | \$ 1,796,105 | \$ 101,351    |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
TDA/METRO GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

|                            | Budgeted Amounts |            | Actual     | Variance with |
|----------------------------|------------------|------------|------------|---------------|
|                            | Original         | Final      | Amounts    | Final Budget  |
| <b>Revenues</b>            |                  |            |            |               |
| Use of money and property  | \$ -             | \$ -       | \$ 475     | \$ 475        |
| Total revenues             | -                | -          | 475        | 475           |
| <b>Expenditures</b>        |                  |            |            |               |
| Capital outlay             | -                | 22,767     | 18,100     | 4,667         |
| Total expenditures         | -                | 22,767     | 18,100     | 4,667         |
| Net change in fund balance | -                | (22,767)   | (17,625)   | 5,142         |
| Fund balance, beginning    | 169,093          | 169,093    | 169,093    | -             |
| Fund balance, ending       | \$ 169,093       | \$ 146,326 | \$ 151,468 | \$ 5,142      |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
PUBLIC EDUCATION FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

---

|                            | Budgeted Amounts  |                   | Actual            | Variance with      |
|----------------------------|-------------------|-------------------|-------------------|--------------------|
|                            | Original          | Final             | Amounts           | Final Budget       |
| <b>Revenues</b>            |                   |                   |                   |                    |
| Intergovernmental          | \$ 18,000         | \$ 18,000         | \$ 7,668          | \$ (10,332)        |
| Use of money and property  | 1,000             | 1,000             | 562               | (438)              |
| Total revenues             | 19,000            | 19,000            | 8,230             | (10,770)           |
| <b>Expenditures</b>        |                   |                   |                   |                    |
| Total expenditures         | -                 | -                 | -                 | -                  |
| Net change in fund balance | 19,000            | 19,000            | 8,230             | (10,770)           |
| Fund balance, beginning    | 181,682           | 181,682           | 181,682           | -                  |
| Fund balance, ending       | <u>\$ 200,682</u> | <u>\$ 200,682</u> | <u>\$ 189,912</u> | <u>\$ (10,770)</u> |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
ROAD MAINTENANCE & REHAB FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

|                            | Budgeted Amounts    |                     | Actual              | Variance with    |
|----------------------------|---------------------|---------------------|---------------------|------------------|
|                            | Original            | Final               | Amounts             | Final Budget     |
| <b>Revenues</b>            |                     |                     |                     |                  |
| Intergovernmental          | \$ 492,149          | \$ 492,149          | \$ 523,795          | \$ 31,646        |
| Use of money and property  | 7,000               | 7,000               | 2,748               | (4,252)          |
| Total revenues             | <u>499,149</u>      | <u>499,149</u>      | <u>526,543</u>      | <u>27,394</u>    |
| <b>Expenditures</b>        |                     |                     |                     |                  |
| Total expenditures         | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>         |
| Net change in fund balance | 499,149             | 499,149             | 526,543             | 27,394           |
| Fund balance, beginning    | <u>715,650</u>      | <u>715,650</u>      | <u>715,650</u>      | <u>-</u>         |
| Fund balance, ending       | <u>\$ 1,214,799</u> | <u>\$ 1,214,799</u> | <u>\$ 1,242,193</u> | <u>\$ 27,394</u> |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
MSRC GRANT  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                   | Budgeted Amounts    |                     | Actual              | Variance with     |
|-----------------------------------|---------------------|---------------------|---------------------|-------------------|
|                                   | Original            | Final               | Amounts             | Final Budget      |
| <b>Revenues</b>                   |                     |                     |                     |                   |
| Intergovernmental                 | \$ -                | \$ 30,000           | \$ 20,000           | \$ (10,000)       |
| Total revenues                    | -                   | 30,000              | 20,000              | (10,000)          |
| <b>Expenditures</b>               |                     |                     |                     |                   |
| Capital outlay                    | -                   | 30,000              | 22,986              | 7,014             |
| Total expenditures                | -                   | 30,000              | 22,986              | 7,014             |
| Net change in fund balance        | -                   | -                   | (2,986)             | (2,986)           |
| Fund balance (deficit), beginning | (150,000)           | (150,000)           | (150,000)           | -                 |
| Fund balance (deficit), ending    | <u>\$ (150,000)</u> | <u>\$ (150,000)</u> | <u>\$ (152,986)</u> | <u>\$ (2,986)</u> |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
HOUSING AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2022**

---

|                                | Budgeted Amounts |            | Actual     | Variance with |
|--------------------------------|------------------|------------|------------|---------------|
|                                | Original         | Final      | Amounts    | Final Budget  |
| <b>Revenues</b>                |                  |            |            |               |
| Use of money and property      | \$ 22,428        | \$ 22,428  | \$ 36,161  | \$ 13,733     |
| Total revenues                 | 22,428           | 22,428     | 36,161     | 13,733        |
| <b>Expenditures</b>            |                  |            |            |               |
| Current:                       |                  |            |            |               |
| Community development          | -                | -          | 372        | (372)         |
| Total expenditures             | -                | -          | 372        | (372)         |
| <br>Net change in fund balance | <br>22,428       | <br>22,428 | <br>35,789 | <br>13,361    |
| Fund balance, beginning        | 81,184           | 81,184     | 81,184     | -             |
| Fund balance, ending           | \$ 103,612       | \$ 103,612 | \$ 116,973 | \$ 13,361     |



**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
GOLDEN STREETS GRANT  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                                              | Budgeted Amounts |              | Actual       | Variance with |
|--------------------------------------------------------------|------------------|--------------|--------------|---------------|
|                                                              | Original         | Final        | Amounts      | Final Budget  |
| <b>Revenues</b>                                              |                  |              |              |               |
| Intergovernmental                                            | \$ 420,000       | \$ 420,000   | \$ -         | \$ (420,000)  |
| Total revenues                                               | 420,000          | 420,000      | -            | (420,000)     |
| <b>Expenditures</b>                                          |                  |              |              |               |
| Current:                                                     |                  |              |              |               |
| Public works                                                 | 420,000          | 652,797      | 301,052      | 351,745       |
| Total expenditures                                           | 420,000          | 652,797      | 301,052      | 351,745       |
| Excess (deficiency) of revenues over<br>(under) expenditures | -                | (232,797)    | (301,052)    | (68,255)      |
| <b>Other Financing Sources (Uses)</b>                        |                  |              |              |               |
| Transfers in                                                 | 14,170           | 14,170       | 14,170       | -             |
| Total other financing sources (uses)                         | 14,170           | 14,170       | 14,170       | -             |
| Net change in fund balance                                   | 14,170           | (218,627)    | (286,882)    | (68,255)      |
| Fund balance (deficit), beginning                            | (24,914)         | (24,914)     | (24,914)     | -             |
| Fund balance (deficit), ending                               | \$ (10,744)      | \$ (243,541) | \$ (311,796) | \$ (68,255)   |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
HSIP GRANT  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                   | Budgeted Amounts   |                     | Actual<br>Amounts   | Variance with<br>Final Budget |
|-----------------------------------|--------------------|---------------------|---------------------|-------------------------------|
|                                   | Original           | Final               |                     |                               |
| <b>Revenues</b>                   |                    |                     |                     |                               |
| Intergovernmental                 | \$ -               | \$ -                | \$ 163              | \$ 163                        |
| Total revenues                    | -                  | -                   | 163                 | 163                           |
| <b>Expenditures</b>               |                    |                     |                     |                               |
| Capital outlay                    | -                  | 253,520             | 184,123             | 69,397                        |
| Total expenditures                | -                  | 253,520             | 184,123             | 69,397                        |
| Net change in fund balance        | -                  | (253,520)           | (183,960)           | 69,560                        |
| Fund balance (deficit), beginning | (44,701)           | (44,701)            | (44,701)            | -                             |
| Fund balance (deficit), ending    | <u>\$ (44,701)</u> | <u>\$ (298,221)</u> | <u>\$ (228,661)</u> | <u>\$ 69,560</u>              |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
HISTORIC PRESERVATION GRANT  
FOR THE YEAR ENDED JUNE 30, 2022**

|                            | Budgeted Amounts |           | Actual<br>Amounts | Variance with<br>Final Budget |
|----------------------------|------------------|-----------|-------------------|-------------------------------|
|                            | Original         | Final     |                   |                               |
| <b>Revenues</b>            |                  |           |                   |                               |
| Intergovernmental          | \$ -             | \$ 40,000 | \$ 40,000         | \$ -                          |
| Use of money and property  | -                | -         | 13                | 13                            |
| Total revenues             | -                | 40,000    | 40,013            | 13                            |
| <b>Expenditures</b>        |                  |           |                   |                               |
| Current:                   |                  |           |                   |                               |
| Community services         | -                | 40,000    | 39,488            | 512                           |
| Total expenditures         | -                | 40,000    | 39,488            | 512                           |
| Net change in fund balance | -                | -         | 525               | 525                           |
| Fund balance , beginning   | 5,102            | 5,102     | 5,102             | -                             |
| Fund balance, ending       | \$ 5,102         | \$ 5,102  | \$ 5,627          | \$ 525                        |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
FACILITIES & EQUIPMENT CAPITAL PROJECT  
FOR THE YEAR ENDED JUNE 30, 2022**

|                                                              | Budgeted Amounts |              | Actual       | Variance with |
|--------------------------------------------------------------|------------------|--------------|--------------|---------------|
|                                                              | Original         | Final        | Amount       | Final Budget  |
| <b>Revenues</b>                                              |                  |              |              |               |
| Use of money and property                                    | \$ 1,000         | \$ 1,000     | \$ 7,694     | \$ 6,694      |
| Total revenues                                               | 1,000            | 1,000        | 7,694        | 6,694         |
| <b>Expenditures</b>                                          |                  |              |              |               |
| Capital outlay                                               | 750,500          | 1,058,204    | 114,187      | 944,017       |
| Total expenditures                                           | 750,500          | 1,058,204    | 114,187      | 944,017       |
| Excess (deficiency) of revenues<br>over (under) expenditures | (749,500)        | (1,057,204)  | (106,493)    | 950,711       |
| <b>Other financing sources</b>                               |                  |              |              |               |
| Transfers in                                                 | -                | -            | 47,247       | 47,247        |
| Total other financing sources                                | -                | -            | 47,247       | 47,247        |
| Net change in fund balance                                   | (749,500)        | (1,057,204)  | (59,246)     | 997,958       |
| Fund balance, beginning                                      | 2,530,040        | 2,530,040    | 2,530,040    | -             |
| Fund balance, ending                                         | \$ 1,780,540     | \$ 1,472,836 | \$ 2,470,794 | \$ 997,958    |

**CITY OF SOUTH PASADENA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
STREETS IMPROVEMENT PROGRAM CAPITAL PROJECT  
FOR THE YEAR ENDED JUNE 30, 2022**

|                            | Budgeted Amounts |                | Actual<br>Amounts | Variance with<br>Final Budget |
|----------------------------|------------------|----------------|-------------------|-------------------------------|
|                            | Original         | Final          |                   |                               |
| <b>Revenues</b>            |                  |                |                   |                               |
| Use of money and property  | \$ -             | \$ -           | \$ (64,442)       | \$ (64,442)                   |
| Total revenues             | -                | -              | (64,442)          | (64,442)                      |
| <b>Expenditures</b>        |                  |                |                   |                               |
| Capital outlay             | 2,000,000        | 3,817,194      | 53,566            | 3,763,628                     |
| Total expenditures         | 2,000,000        | 3,817,194      | 53,566            | 3,763,628                     |
| Net change in fund balance | (2,000,000)      | (3,817,194)    | (118,008)         | 3,699,186                     |
| Fund balance, beginning    | 2,476,329        | 2,476,329      | 2,476,329         | -                             |
| Fund balance, ending       | \$ 476,329       | \$ (1,340,865) | \$ 2,358,321      | \$ 3,699,186                  |

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## **STATISTICAL SECTION**

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## CITY OF SOUTH PASADADENA

### STATISTICAL SECTION

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The statistical section of the City of South Pasadena's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information say about the City's overall financial health.

| CONTENTS                                                                                                                                                                                                                 | Page |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| <b>Financial Trends</b>                                                                                                                                                                                                  | 123  |
| These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.                                                                      |      |
| <b>Revenue Capacity</b>                                                                                                                                                                                                  | 133  |
| These schedules contain information to help the reader assess one of the City's most significant local revenue source, the property tax.                                                                                 |      |
| <b>Debt Capacity</b>                                                                                                                                                                                                     | 137  |
| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.                                 |      |
| <b>Demographic and Economic Information</b>                                                                                                                                                                              | 141  |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.                                                         |      |
| <b>Operating Information</b>                                                                                                                                                                                             | 144  |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs. |      |

**Source:** Unless otherwise noted, the information in the schedules is derived from the annual financial comprehensive reports for the relevant year.

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## ***Financial Trends***

# CITY OF SOUTH PASADADENA

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (Accrual Basis of Accounting)

|                                             | Fiscal Year          |                      |                      |                      |                      |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                             | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 |
| Governmental Activities:                    |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 61,969,593        | \$ 62,764,726        | \$ 63,611,268        | \$ 57,152,793        | \$ 59,774,372        |
| Restricted                                  | 2,328,184            | 3,184,841            | 4,179,297            | 4,894,822            | 6,328,022            |
| Unrestricted                                | 7,314,507            | 8,720,752            | (14,506,500)         | (12,620,721)         | (15,130,068)         |
| Total governmental activities net position  | <u>\$ 71,612,284</u> | <u>\$ 74,670,319</u> | <u>\$ 53,284,065</u> | <u>\$ 49,426,894</u> | <u>\$ 50,972,326</u> |
| Business-type activities:                   |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 7,448,158         | \$ 10,855,319        | \$ 11,727,300        | \$ 19,878,644        | \$ 22,302,873        |
| Restricted                                  | -                    | -                    | 2,982,160            | 2,880,237            | 2,998,161            |
| Unrestricted                                | 334,901              | 6,943,845            | 4,690,608            | 4,159,721            | 4,178,403            |
| Total business-type activities net position | <u>\$ 7,783,059</u>  | <u>\$ 17,799,164</u> | <u>\$ 19,400,068</u> | <u>\$ 26,918,602</u> | <u>\$ 29,479,437</u> |
| Primary Government:                         |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 69,417,751        | \$ 73,620,045        | \$ 75,338,568        | \$ 77,031,437        | \$ 82,077,245        |
| Restricted                                  | 2,328,184            | 3,184,841            | 7,161,457            | 7,775,059            | 9,326,183            |
| Unrestricted                                | 7,649,408            | 15,664,597           | (9,815,892)          | (8,461,000)          | (10,951,665)         |
| Total primary government net position       | <u>\$ 79,395,343</u> | <u>\$ 92,469,483</u> | <u>\$ 72,684,133</u> | <u>\$ 76,345,496</u> | <u>\$ 80,451,763</u> |

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| Fiscal Year          |                      |                      |                      |                       |
|----------------------|----------------------|----------------------|----------------------|-----------------------|
| 2018                 | 2019                 | 2020                 | 2021                 | 2022                  |
| \$ 62,806,755        | \$ 60,351,839        | \$ 59,395,318        | \$ 60,662,686        | \$ 60,214,729         |
| 6,336,084            | 8,115,962            | 9,634,946            | 10,700,987           | 13,615,668            |
| (24,210,258)         | (22,350,734)         | (26,491,377)         | (21,837,814)         | (20,425,310)          |
| <u>\$ 44,932,581</u> | <u>\$ 46,117,067</u> | <u>\$ 42,538,887</u> | <u>\$ 49,525,859</u> | <u>\$ 53,405,087</u>  |
| <br>                 |                      |                      |                      |                       |
| \$ 25,526,014        | \$ 23,661,335        | \$ 25,255,248        | \$ 32,772,024        | \$ 32,481,547         |
| 1,154,374            | 1,156,612            | 1,158,406            | 1,158,268            | 158,464               |
| 6,037,490            | 10,548,528           | 13,371,764           | 11,179,697           | 25,432,678            |
| <u>\$ 32,717,878</u> | <u>\$ 35,366,475</u> | <u>\$ 39,785,418</u> | <u>\$ 45,109,989</u> | <u>\$ 58,072,689</u>  |
| <br>                 |                      |                      |                      |                       |
| \$ 88,332,769        | \$ 84,013,174        | \$ 84,650,566        | \$ 93,434,710        | \$ 92,696,276         |
| 7,490,458            | 9,272,574            | 10,793,352           | 11,859,255           | 13,774,132            |
| (18,172,768)         | (11,802,206)         | (13,119,613)         | (10,658,117)         | 5,007,368             |
| <u>\$ 77,650,459</u> | <u>\$ 81,483,542</u> | <u>\$ 82,324,305</u> | <u>\$ 94,635,848</u> | <u>\$ 111,477,776</u> |

# CITY OF SOUTH PASADENA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

|                                                         | Fiscal Year            |                        |                        |                        |                        |
|---------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                                         | 2013                   | 2014                   | 2015                   | 2016                   | 2017                   |
| <b>Expenses:</b>                                        |                        |                        |                        |                        |                        |
| Governmental Activities:                                |                        |                        |                        |                        |                        |
| General government                                      | \$ 4,152,804           | \$ 5,039,084           | \$ 4,354,683           | \$ 3,847,476           | \$ 4,324,484           |
| Public safety                                           | 11,217,279             | 11,012,625             | 12,363,366             | 13,218,063             | 15,596,078             |
| Community development                                   | 902,945                | 918,665                | 1,116,084              | 953,471                | 1,289,447              |
| Community services                                      | 3,101,910              | 3,132,433              | 3,336,626              | 3,153,329              | 3,566,285              |
| Public works                                            | 4,758,677              | 4,990,390              | 5,578,457              | 5,578,850              | 5,529,025              |
| Interest on long-term debt                              | 8,288                  | 4,465                  | 4,335                  | -                      | -                      |
| Total Governmental Activities Expenses                  | <u>24,141,903</u>      | <u>25,097,662</u>      | <u>26,753,551</u>      | <u>26,751,189</u>      | <u>30,305,319</u>      |
| Business-type activities:                               |                        |                        |                        |                        |                        |
| Water Utility                                           | 6,135,803              | 5,804,509              | 4,772,647              | 5,886,309              | 7,028,827              |
| Sewer Utility                                           | 838,800                | 998,603                | 968,996                | 962,623                | 1,012,338              |
| Arroyo Seco Golf Course                                 | 888,930                | 930,255                | 923,660                | 954,898                | 1,032,358              |
| Total Business-type Activities Expenses                 | <u>7,863,533</u>       | <u>7,733,367</u>       | <u>6,665,303</u>       | <u>7,803,830</u>       | <u>9,073,523</u>       |
| <b>Total Primary Government Expenses</b>                | <u>32,005,436</u>      | <u>32,831,029</u>      | <u>33,418,854</u>      | <u>34,555,019</u>      | <u>39,378,842</u>      |
| <b>Program Revenues:</b>                                |                        |                        |                        |                        |                        |
| Governmental Activities:                                |                        |                        |                        |                        |                        |
| Charges for Services:                                   |                        |                        |                        |                        |                        |
| General government                                      | 1,005,393              | 1,173,376              | 1,372,549              | 1,126,241              | 1,026,398              |
| Public safety                                           | 868,577                | 983,181                | 1,189,968              | 1,154,628              | 1,166,125              |
| Community development                                   | 576,063                | 761,632                | 963,987                | 804,309                | 871,571                |
| Community services                                      | 805,635                | 864,271                | 1,064,439              | 853,949                | 926,897                |
| Public works                                            | 1,103,664              | 1,159,519              | 1,226,729              | 1,172,172              | 1,189,342              |
| Total Charges for Services                              | <u>4,359,332</u>       | <u>4,941,979</u>       | <u>5,817,672</u>       | <u>5,111,299</u>       | <u>5,180,333</u>       |
| Operating Contribution and Grants:                      |                        |                        |                        |                        |                        |
| General government                                      | 32,872                 | 53,999                 | 21,413                 | 164,625                | 312,062                |
| Public safety                                           | 775,610                | 328,654                | 185,067                | 116,029                | 175,919                |
| Community development                                   | 610,355                | 504,312                | 476,886                | 627,488                | 810,749                |
| Community services                                      | 31,854                 | 24,876                 | 38,348                 | 20,527                 | 84,519                 |
| Public works                                            | 255,526                | 348,797                | 212,472                | 399,656                | 87,864                 |
| Total Operating Contributions and Grants                | <u>1,706,217</u>       | <u>1,260,638</u>       | <u>934,186</u>         | <u>1,328,325</u>       | <u>1,471,113</u>       |
| Capital Contributions and Grants:                       |                        |                        |                        |                        |                        |
| Community development                                   | -                      | -                      | -                      | -                      | 901,436                |
| Community services                                      | -                      | -                      | -                      | -                      | -                      |
| Public works                                            | 93,947                 | 1,300,814              | 1,220,504              | 734,935                | 1,516,800              |
| Total Capital Contributions and Grants                  | <u>93,947</u>          | <u>1,300,814</u>       | <u>1,220,504</u>       | <u>734,935</u>         | <u>2,418,236</u>       |
| Total Governmental Activities Program Revenue           | <u>6,159,496</u>       | <u>7,503,431</u>       | <u>7,972,362</u>       | <u>7,174,559</u>       | <u>9,069,682</u>       |
| Business-type Activities:                               |                        |                        |                        |                        |                        |
| Charges for services:                                   |                        |                        |                        |                        |                        |
| Water Utility                                           | 8,022,705              | 9,210,982              | 8,694,880              | 8,094,350              | 8,804,890              |
| Sewer Utility                                           | 1,127,843              | 1,256,682              | 1,353,233              | 1,543,925              | 1,583,362              |
| Arroyo Seco Golf Course                                 | 1,082,826              | 1,197,047              | 1,133,562              | 1,129,927              | 1,101,970              |
| Operating Contribution and Grants:                      |                        |                        |                        |                        |                        |
| Water Utility                                           | -                      | -                      | -                      | -                      | -                      |
| Total Business-type Activities Program Revenue          | <u>10,233,374</u>      | <u>11,664,711</u>      | <u>11,181,675</u>      | <u>10,768,202</u>      | <u>11,490,222</u>      |
| <b>Total primary government program revenues</b>        | <u>16,392,870</u>      | <u>19,168,142</u>      | <u>19,154,037</u>      | <u>17,942,761</u>      | <u>20,559,904</u>      |
| <b>Net (expenses) revenues:</b>                         |                        |                        |                        |                        |                        |
| Governmental activities                                 | (17,982,407)           | (17,594,231)           | (18,781,189)           | (19,576,630)           | (21,235,637)           |
| Business-type activities                                | <u>2,369,841</u>       | <u>3,931,344</u>       | <u>4,516,372</u>       | <u>2,964,372</u>       | <u>2,416,699</u>       |
| <b>Total primary government net (expenses)/revenues</b> | <u>\$ (15,612,566)</u> | <u>\$ (13,662,887)</u> | <u>\$ (14,264,817)</u> | <u>\$ (16,612,258)</u> | <u>\$ (18,818,938)</u> |

(continued)

| Fiscal Year     |                 |                 |                 |                 |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2018            | 2019            | 2020            | 2021            | 2022            |
| \$ 5,560,722    | \$ 6,014,464    | \$ 10,256,658   | \$ 8,193,683    | \$ 10,995,232   |
| 14,624,313      | 14,261,686      | 16,650,223      | 19,452,587      | 16,504,092      |
| 1,037,091       | 1,361,590       | 1,891,456       | 1,861,097       | 2,672,653       |
| 3,819,654       | 3,984,070       | 3,768,976       | 3,477,936       | 4,284,119       |
| 5,197,516       | 6,045,511       | 5,536,975       | 3,661,617       | 4,479,655       |
| -               | -               | -               | -               | -               |
| 30,239,296      | 31,667,321      | 38,104,288      | 36,646,920      | 38,935,751      |
| 7,060,363       | 8,116,822       | 8,817,002       | 8,206,574       | 9,521,857       |
| 686,672         | 1,280,398       | 1,189,754       | 1,353,548       | 1,233,642       |
| 1,096,327       | 1,158,137       | 1,030,565       | 1,131,455       | 1,314,725       |
| 8,843,362       | 10,555,357      | 11,037,321      | 10,691,577      | 12,070,224      |
| 39,082,658      | 42,222,678      | 49,141,609      | 47,338,497      | 51,005,975      |
| 922,603         | 806,758         | 2,138,708       | 1,615,244       | 3,993,078       |
| 1,554,948       | 1,584,152       | 1,479,307       | 2,077,333       | 1,465,821       |
| 3,160           | 7,647           | 15,812          | -               | 16,976          |
| 841,445         | 761,334         | 480,130         | 324,106         | 813,361         |
| 1,449,325       | 1,313,942       | 1,385,391       | 1,358,505       | 1,825,634       |
| 4,771,481       | 4,473,833       | 5,499,348       | 5,375,188       | 8,114,870       |
| 48,304          | 755,965         | 414,862         | 1,415,551       | 693,911         |
| 173,401         | 136,627         | 197,747         | 176,000         | 220,950         |
| 22,189          | 34,967          | 2,876           | 23,916          | 40,093          |
| 25,248          | 965,060         | 1,010,094       | 931,932         | 1,212,540       |
| 702,884         | 2,338,935       | 1,802,848       | 1,823,284       | 2,095,848       |
| 972,026         | 4,231,554       | 3,428,427       | 4,370,683       | 4,263,342       |
| -               | -               | -               | -               | -               |
| 143,601         | 115,076         | -               | -               | -               |
| 1,182,367       | 957,234         | 976,308         | 1,429,167       | 923,772         |
| 1,325,968       | 1,072,310       | 976,308         | 1,429,167       | 923,772         |
| 7,069,475       | 9,777,697       | 9,904,083       | 11,175,038      | 13,301,984      |
| 9,830,246       | 10,152,661      | 11,089,616      | 12,022,464      | 12,484,238      |
| 1,614,351       | 1,472,122       | 1,962,443       | 2,108,764       | 2,200,532       |
| 1,166,516       | 1,255,815       | 1,074,883       | 1,767,133       | 1,390,303       |
| 200,167         | -               | 90,833          | 30,604          | -               |
| 12,811,280      | 12,880,598      | 14,217,775      | 15,928,965      | 16,075,073      |
| 19,880,755      | 22,658,295      | 24,121,858      | 27,104,003      | 29,377,057      |
| (23,169,821)    | (21,889,624)    | (28,200,205)    | (25,471,882)    | (25,633,767)    |
| 3,967,918       | 2,325,241       | 3,180,454       | 5,237,388       | 4,004,849       |
| \$ (19,201,903) | \$ (19,564,383) | \$ (25,019,751) | \$ (20,234,494) | \$ (21,628,918) |

# CITY OF SOUTH PASADENA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

|                                                            | Fiscal Year         |                     |                     |                     |                     |
|------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                            | 2013                | 2014                | 2015                | 2016                | 2017                |
| <b>General Revenues and Other Changes in Net Position:</b> |                     |                     |                     |                     |                     |
| Governmental activities:                                   |                     |                     |                     |                     |                     |
| Taxes:                                                     |                     |                     |                     |                     |                     |
| Property taxes                                             | \$ 11,074,604       | \$ 11,462,585       | \$ 11,779,438       | \$ 12,632,984       | \$ 13,236,932       |
| Sales taxes                                                | 2,481,560           | 3,447,593           | 3,535,113           | 3,786,423           | 3,627,051           |
| Franchise taxes                                            | 810,642             | 804,995             | 878,332             | 875,304             | 818,724             |
| Business License taxes                                     | 363,437             | 373,935             | 385,691             | 397,762             | 412,594             |
| Other taxes                                                | 4,092,063           | 4,004,746           | 3,965,217           | 3,940,883           | 4,057,552           |
| Motor Vehicle in Lieu - Unrestricted                       | 10,980              | -                   | 16,845              | 10,561              | 11,660              |
| Use of money and property                                  | 446,167             | 498,208             | 542,196             | 739,761             | 553,165             |
| Other                                                      | 221,658             | 32,823              | 70,188              | 745,315             | 38,877              |
| Transfers                                                  | -                   | -                   | 87,000              | 13,919              | 24,514              |
| Extraordinary gain/loss on dissolution of RDA              | -                   | -                   | -                   | -                   | -                   |
| <b>Total governmental activities</b>                       | <b>19,501,111</b>   | <b>20,624,885</b>   | <b>21,260,020</b>   | <b>23,142,912</b>   | <b>22,781,069</b>   |
| Business-type activities:                                  |                     |                     |                     |                     |                     |
| Use of money and property                                  | 38,006              | 28,372              | 32,205              | 137,524             | (2,802)             |
| Miscellaneous                                              | -                   | -                   | -                   | -                   | -                   |
| Other                                                      | 5,972               | 10,143              | 184,786             | 230,156             | 171,452             |
| Transfers                                                  | -                   | -                   | (87,000)            | (13,919)            | (24,514)            |
| <b>Total business-type activities</b>                      | <b>43,978</b>       | <b>38,515</b>       | <b>129,991</b>      | <b>353,761</b>      | <b>144,136</b>      |
| <b>Total primary government</b>                            | <b>19,545,089</b>   | <b>20,663,400</b>   | <b>21,390,011</b>   | <b>23,496,673</b>   | <b>22,925,205</b>   |
| <b>Change in Net Position:</b>                             |                     |                     |                     |                     |                     |
| Governmental activities                                    | 1,518,704           | 3,030,654           | 2,478,831           | 3,566,282           | 1,545,432           |
| Business-type activities                                   | 2,413,819           | 3,969,859           | 4,646,363           | 3,318,133           | 2,560,835           |
| <b>Total primary government</b>                            | <b>\$ 3,932,523</b> | <b>\$ 7,000,513</b> | <b>\$ 7,125,194</b> | <b>\$ 6,884,415</b> | <b>\$ 4,106,267</b> |



(concluded)

| Fiscal Year   |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|
| 2018          | 2019          | 2020          | 2021          | 2022          |
| \$ 14,135,844 | \$ 15,368,198 | \$ 15,491,557 | \$ 16,772,602 | \$ 17,906,070 |
| 3,965,016     | 2,563,117     | 2,864,474     | 5,132,645     | 6,096,613     |
| 784,736       | 1,002,408     | 794,838       | 995,705       | 1,027,468     |
| 389,726       | 399,653       | 375,399       | 392,174       | 386,891       |
| 3,775,843     | 3,228,320     | 3,445,454     | 3,738,531     | 3,875,268     |
| 13,682        | 392,595       | 396,008       | 415,385       | 420,842       |
| 650,749       | 1,308,952     | 1,356,990     | 4,859,029     | (466,695)     |
| 130,310       | 11,815        | 197,666       | 152,783       | 266,538       |
| -             | 80,000        | (321,132)     | -             | -             |
| -             | -             | -             | -             | -             |
| 23,845,906    | 24,355,058    | 24,601,254    | 32,458,854    | 29,512,995    |
| 92,551        | 392,230       | 265,004       | 62,447        | (360,030)     |
| -             | -             | -             | -             | -             |
| 216,693       | 94,367        | 652,353       | 24,736        | 9,317,881     |
| -             | (80,000)      | 321,132       | -             | -             |
| 309,244       | 406,597       | 1,238,489     | 87,183        | 8,957,851     |
| 24,155,150    | 24,761,655    | 25,839,743    | 32,546,037    | 38,470,846    |
| 676,085       | 2,465,434     | (3,598,951)   | 6,986,972     | 3,879,228     |
| 4,277,162     | 2,731,838     | 4,418,943     | 5,324,571     | 12,962,700    |
| \$ 4,953,247  | \$ 5,197,272  | \$ 819,992    | \$ 12,311,543 | \$ 16,841,928 |

# CITY OF SOUTH PASADENA

## FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

|                                    | Fiscal Year          |                      |                      |                      |                      |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 |
| General Fund:                      |                      |                      |                      |                      |                      |
| Nonspendable                       | \$ 1,199,091         | \$ 1,207,961         | \$ 1,022,841         | \$ 1,035,224         | \$ 1,044,519         |
| Restricted                         | -                    | -                    | -                    | -                    | -                    |
| Committed                          | 2,141,481            | 2,650,000            | 3,500,000            | 5,635,000            | 5,899,130            |
| Assigned                           | -                    | -                    | -                    | -                    | -                    |
| Unassigned                         | 11,727,832           | 12,788,280           | 13,124,419           | 12,724,205           | 9,681,531            |
| Total General Fund                 | <u>15,068,404</u>    | <u>16,646,241</u>    | <u>17,647,260</u>    | <u>19,394,429</u>    | <u>16,625,180</u>    |
| All Other Governmental Funds:      |                      |                      |                      |                      |                      |
| Nonspendable                       | -                    | -                    | -                    | -                    | -                    |
| Restricted                         | 2,328,184            | 3,184,841            | 4,179,297            | 4,894,822            | 6,328,022            |
| Committed                          | 579,447              | 611,447              | 461,472              | 696,953              | 2,482,803            |
| Assigned                           | -                    | -                    | -                    | -                    | -                    |
| Unassigned                         | (1,049,935)          | (791,469)            | (572,623)            | (771,286)            | (791,741)            |
| Total all other governmental funds | <u>1,857,696</u>     | <u>3,004,819</u>     | <u>4,068,146</u>     | <u>4,820,489</u>     | <u>8,019,084</u>     |
| Total governmental funds           | <u>\$ 16,926,100</u> | <u>\$ 19,651,060</u> | <u>\$ 21,715,406</u> | <u>\$ 24,214,918</u> | <u>\$ 24,644,264</u> |

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| Fiscal Year   |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|
| 2018          | 2019          | 2020          | 2021          | 2022          |
| \$ 904,445    | \$ 455,083    | \$ 305,396    | \$ 1,332,864  | \$ 9,299      |
| -             | -             | -             | -             | 1,141,509     |
| 5,803,778     | 5,945,656     | 5,547,682     | 5,526,943     | 4,526,943     |
| -             | -             | -             | 72,940        | 62,998        |
| 11,182,760    | 12,017,146    | 12,700,662    | 17,422,872    | 18,931,422    |
| 17,890,983    | 18,417,885    | 18,553,740    | 24,355,619    | 24,672,171    |
| -             | 4,106         | -             | -             | -             |
| 6,336,084     | 8,115,962     | 9,634,946     | 10,700,987    | 12,474,159    |
| 796,721       | 3,635,244     | 4,423,938     | 5,009,495     | 4,852,340     |
| -             | -             | -             | -             | -             |
| (874,184)     | (1,178,791)   | (1,817,114)   | (1,376,171)   | (2,315,881)   |
| 6,258,621     | 10,576,521    | 12,241,770    | 14,334,311    | 15,010,618    |
| \$ 24,149,604 | \$ 28,994,406 | \$ 30,795,510 | \$ 38,689,930 | \$ 39,682,789 |

# CITY OF SOUTH PASADENA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

|                                                         | Fiscal Year         |                     |                     |                     |                   |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
|                                                         | 2013                | 2014                | 2015                | 2016                | 2017              |
| Revenues:                                               |                     |                     |                     |                     |                   |
| Taxes                                                   | \$ 19,166,312       | \$ 19,697,011       | \$ 20,205,691       | \$ 21,235,594       | \$ 21,740,257     |
| Assessment                                              | 905,459             | 896,465             | 895,798             | 876,972             | 892,361           |
| Licenses and permits                                    | 1,012,753           | 985,186             | 1,047,540           | 1,069,023           | 1,093,865         |
| Intergovernmental                                       | 4,290,262           | 2,303,094           | 1,989,281           | 1,104,398           | 3,193,603         |
| Charges for services                                    | 2,270,737           | 2,682,074           | 3,880,357           | 3,439,167           | 3,529,076         |
| Use of money and property                               | 446,167             | 498,208             | 542,194             | 739,761             | 553,165           |
| Fines and forfeitures                                   | 523,629             | 412,748             | 347,585             | 444,556             | 397,738           |
| Contributions                                           | 17,970              | 12,455              | 12,365              | 9,691               | 4,310             |
| Miscellaneous                                           | 313,612             | 594,210             | 480,206             | 1,028,401           | 576,915           |
| Total Revenues                                          | <u>28,946,901</u>   | <u>28,081,451</u>   | <u>29,401,017</u>   | <u>29,947,563</u>   | <u>31,981,290</u> |
| Expenditures:                                           |                     |                     |                     |                     |                   |
| Current:                                                |                     |                     |                     |                     |                   |
| General government                                      | 5,651,008           | 4,297,373           | 3,988,989           | 3,930,354           | 4,208,084         |
| Public safety                                           | 10,968,211          | 10,636,711          | 11,651,620          | 12,099,774          | 13,454,529        |
| Community development                                   | 898,709             | 911,871             | 1,121,098           | 1,003,041           | 1,157,431         |
| Community services                                      | 2,953,811           | 2,970,037           | 3,209,105           | 3,175,023           | 3,394,984         |
| Public works                                            | 2,921,136           | 2,970,322           | 3,107,053           | 3,638,844           | 3,602,684         |
| Capital outlay                                          | 2,028,330           | 3,536,250           | 3,739,660           | 3,507,229           | 5,687,034         |
| Debt service:                                           |                     |                     |                     |                     |                   |
| Principal retirement                                    | 50,650              | 53,130              | 55,725              | 58,450              | -                 |
| Interest and fiscal charges                             | 10,658              | 8,178               | 5,583               | 2,858               | -                 |
| Total expenditures                                      | <u>25,482,513</u>   | <u>25,383,872</u>   | <u>26,878,833</u>   | <u>27,415,573</u>   | <u>31,504,746</u> |
| Excess/(deficiency) of Revenues Over Expenditures       | <u>3,464,388</u>    | <u>2,697,579</u>    | <u>2,522,184</u>    | <u>2,531,990</u>    | <u>476,544</u>    |
| Other financing sources (uses):                         |                     |                     |                     |                     |                   |
| Transfers in                                            | 1,176,376           | 421,511             | 408,497             | 648,622             | 5,424,382         |
| Transfers out                                           | (1,176,376)         | (421,511)           | (625,137)           | (681,100)           | (5,481,580)       |
| Total other financing sources (uses)                    | <u>-</u>            | <u>-</u>            | <u>(216,640)</u>    | <u>(32,478)</u>     | <u>(57,198)</u>   |
| Net Change in Fund Balances                             | <u>\$ 3,464,388</u> | <u>\$ 2,697,579</u> | <u>\$ 2,305,544</u> | <u>\$ 2,499,512</u> | <u>\$ 419,346</u> |
| Debt service as a percentage of noncapital expenditures | 0.3%                | 0.3%                | 0.3%                | 0.3%                | 0.0%              |

| Fiscal Year         |                     |                     |                     |                   |
|---------------------|---------------------|---------------------|---------------------|-------------------|
| 2018                | 2019                | 2020                | 2021                | 2022              |
| \$ 22,827,899       | \$ 24,330,245       | \$ 24,739,711       | \$ 28,928,014       | \$ 31,616,881     |
| 890,227             | 893,205             | 890,461             | 892,903             | 898,450           |
| 1,001,349           | 968,082             | 929,327             | 845,430             | 852,731           |
| 1,374,597           | 2,222,496           | 1,557,375           | 3,174,531           | 1,919,847         |
| 3,711,816           | 3,567,809           | 3,289,275           | 3,509,581           | 4,289,345         |
| 650,749             | 1,308,948           | 1,356,990           | 4,859,030           | (466,697)         |
| 388,061             | 339,636             | 264,601             | 143,449             | 52,291            |
| 16,135              | -                   | -                   | -                   | -                 |
| 54,548              | 422,334             | 552,386             | 554,360             | 537,268           |
| <u>30,915,381</u>   | <u>34,052,755</u>   | <u>33,580,126</u>   | <u>42,907,298</u>   | <u>39,700,116</u> |
| 4,643,875           | 5,195,028           | 5,148,946           | 5,992,210           | 7,144,212         |
| 13,223,377          | 13,253,827          | 14,737,277          | 17,277,121          | 19,217,158        |
| 1,037,091           | 1,127,178           | 1,891,456           | 1,861,097           | 2,672,653         |
| 3,570,903           | 3,523,793           | 3,282,820           | 2,996,421           | 3,806,952         |
| 3,294,839           | 3,657,890           | 3,457,068           | 3,577,000           | 4,416,045         |
| 5,639,956           | 2,260,280           | 2,800,323           | 2,081,779           | 1,450,237         |
| -                   | -                   | -                   | -                   | -                 |
| -                   | -                   | -                   | -                   | -                 |
| <u>31,410,041</u>   | <u>29,017,996</u>   | <u>31,317,890</u>   | <u>33,785,628</u>   | <u>38,707,257</u> |
| <u>(494,660)</u>    | <u>5,034,759</u>    | <u>2,262,236</u>    | <u>9,121,670</u>    | <u>992,859</u>    |
| -                   | 1,671,000           | 1,990,597           | 1,294,627           | 130,700           |
| -                   | (1,860,956)         | (2,451,729)         | (2,521,877)         | (130,700)         |
| -                   | (189,956)           | (461,132)           | (1,227,250)         | -                 |
| <u>\$ (494,660)</u> | <u>\$ 4,844,803</u> | <u>\$ 1,801,104</u> | <u>\$ 7,894,420</u> | <u>\$ 992,859</u> |
| 0.0%                | 0.0%                | 0.0%                | 0.0%                | 0.0%              |

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## ***Revenue Capacity***

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# CITY OF SOUTH PASADENA

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (in thousands of dollars)

| Fiscal Year<br>Ended<br>June 30, | Residential<br>Property | Commercial<br>Property | Other Property | Less:<br>Tax-Exempt<br>Property | Total Taxable<br>Assessed<br>Value | Total<br>Direct<br>Tax Rate | Estimated<br>Actual<br>Taxable<br>Value <sup>a</sup> | Taxable Assessed<br>Value as a<br>Percentage of<br>Actual Taxable<br>Value |
|----------------------------------|-------------------------|------------------------|----------------|---------------------------------|------------------------------------|-----------------------------|------------------------------------------------------|----------------------------------------------------------------------------|
| 2013                             | \$ 3,175,548            | \$ 246,971             | \$ 137,830     | \$ (33,508)                     | \$ 3,526,841                       | 0.252%                      | N/A                                                  | N/A                                                                        |
| 2014                             | 3,329,419               | 260,726                | 135,712        | (34,820)                        | 3,691,037                          | 0.264%                      | N/A                                                  | N/A                                                                        |
| 2015                             | 3,501,716               | 267,657                | 124,487        | (32,836)                        | 3,861,024                          | 0.264%                      | N/A                                                  | N/A                                                                        |
| 2016                             | 3,692,063               | 269,163                | 121,018        | (9,974)                         | 4,072,270                          | 0.264%                      | N/A                                                  | N/A                                                                        |
| 2017                             | 3,879,157               | 277,223                | 130,593        | (9,974)                         | 4,276,999                          | 0.264%                      | N/A                                                  | N/A                                                                        |
| 2018                             | 4,127,779               | 302,031                | 131,435        | (9,974)                         | 4,551,271                          | 0.264%                      | N/A                                                  | N/A                                                                        |
| 2019                             | 4,421,323               | 318,282                | 117,481        | (9,974)                         | 4,847,112                          | 0.263%                      | N/A                                                  | N/A                                                                        |
| 2020                             | 4,654,181               | 338,070                | 134,525        | (9,977)                         | 5,116,799                          | 0.264%                      | N/A                                                  | N/A                                                                        |
| 2021                             | 4,901,129               | 369,099                | 137,804        | (9,977)                         | 5,398,055                          | 0.264%                      | N/A                                                  | N/A                                                                        |
| 2022                             | 5,093,432               | 375,173                | 146,324        | (9,953)                         | 5,604,976                          | 0.264%                      | N/A                                                  | N/A                                                                        |

**Source:** County of Los Angeles Auditor-Controller and HDL Coren & Cone

**Note:** <sup>a</sup> Estimated Actual Taxable is not available

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of the property may be increased by an "inflation factor" (limited to a maximum of 2%)

# CITY OF SOUTH PASADENA

## DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS (rate per \$1,000 of assessed value)

| Fiscal Year | City Direct Rates         |                      | Overlapping Rates         |                                                |                                   |                                        |                      |
|-------------|---------------------------|----------------------|---------------------------|------------------------------------------------|-----------------------------------|----------------------------------------|----------------------|
|             | General Basic<br>Tax Levy | Total Direct<br>Rate | Los Angeles<br>County (1) | Educational<br>Revenue<br>Augmentation<br>Fund | Los Angeles<br>County Fire<br>F&W | Los Angeles<br>County Flood<br>Control | Community<br>College |
| 2013        | 0.2400                    | 0.2400               | 0.2857                    | 0.2551                                         | 0.0060                            | 0.0096                                 | 0.0320               |
| 2014        | 0.2400                    | 0.2400               | 0.2857                    | 0.2551                                         | 0.0060                            | 0.0096                                 | 0.0320               |
| 2015        | 0.2400                    | 0.2400               | 0.2857                    | 0.2551                                         | 0.0060                            | 0.0096                                 | 0.0320               |
| 2016        | 0.2400                    | 0.2400               | 0.2857                    | 0.2551                                         | 0.0060                            | 0.0096                                 | 0.0320               |
| 2017        | 0.2400                    | 0.2400               | 0.2856                    | 0.2551                                         | 0.0060                            | 0.0096                                 | 0.0320               |
| 2018        | 0.2400                    | 0.2637               | 0.2857                    | 0.2551                                         | 0.0060                            | 0.0096                                 | 0.0320               |
| 2019        | 0.2400                    | 0.2634               | 0.2857                    | 0.2551                                         | 0.0060                            | 0.0096                                 | 0.0320               |
| 2020        | 0.2400                    | 0.2638               | 0.2857                    | 0.2551                                         | 0.0060                            | 0.0096                                 | 0.0320               |
| 2021        | 0.2400                    | 0.2640               | 0.2857                    | 0.2551                                         | 0.0060                            | 0.0096                                 | 0.0320               |
| 2022        | 0.2400                    | 0.2640               | 0.2857                    | 0.2551                                         | 0.0060                            | 0.0096                                 | 0.0320               |

|             |                 | Overlapping Rates                                          |                                                 |                                                            |                         |                                              |        |
|-------------|-----------------|------------------------------------------------------------|-------------------------------------------------|------------------------------------------------------------|-------------------------|----------------------------------------------|--------|
|             |                 | Voter Approved                                             |                                                 |                                                            |                         |                                              |        |
|             |                 | Upper San<br>Gabriel Valley<br>Municipal<br>Water District | South<br>Pasadena<br>Unified School<br>District | Upper San<br>Gabriel Valley<br>Municipal<br>Water District | Detention<br>Facilities | Pasadena<br>Community<br>College<br>District | Total  |
| Fiscal Year | School District |                                                            |                                                 |                                                            |                         |                                              |        |
| 2013        | 0.1712          | 0.0005                                                     | 0.1011                                          | 0.00350                                                    | -                       | 0.0206                                       | 1.1253 |
| 2014        | 0.1712          | 0.0005                                                     | 0.1014                                          | 0.00350                                                    | -                       | 0.0190                                       | 1.1240 |
| 2015        | 0.1712          | 0.0005                                                     | 0.1006                                          | 0.00350                                                    | -                       | 0.0103                                       | 1.1145 |
| 2016        | 0.1712          | 0.0005                                                     | 0.0981                                          | 0.00350                                                    | -                       | 0.0087                                       | 1.1104 |
| 2017        | 0.1712          | 0.0005                                                     | 0.0993                                          | 0.00350                                                    | -                       | 0.0089                                       | 1.1117 |
| 2018        | 0.1712          | 0.0005                                                     | 0.1514                                          | 0.00350                                                    | -                       | 0.0082                                       | 1.1631 |
| 2019        | 0.1712          | 0.0005                                                     | 0.1438                                          | 0.00350                                                    | -                       | 0.0077                                       | 1.1551 |
| 2020        | 0.1712          | 0.0005                                                     | 0.1453                                          | 0.00350                                                    | -                       | 0.0072                                       | 1.1561 |
| 2021        | 0.1712          | 0.0005                                                     | 0.1712                                          | 0.00048                                                    | -                       | 0.0320                                       | 1.2037 |
| 2022        | 0.1712          | 0.0005                                                     | 0.1428                                          | 0.00350                                                    | -                       | 0.0090                                       | 1.1554 |

Source: County of Los Angeles Auditor-Controller and HDL Coren and Cone

(1) - The following were included in Los Angeles County; Childrens Institutional Tuition Fund, County Sanitation District No. 16, County School Services, Development Center, and LA County General

# CITY OF SOUTH PASADENA

## PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND NINE YEARS AGO

| Taxpayer                           | 2021/2022                        |      |                                                             | 2012/2013                        |      |                                                             |
|------------------------------------|----------------------------------|------|-------------------------------------------------------------|----------------------------------|------|-------------------------------------------------------------|
|                                    | Taxable<br>Assessed Value<br>(1) | Rank | Percentage<br>of Total City<br>Taxable<br>Assessed<br>Value | Combined<br>Taxable Value<br>(1) | Rank | Percentage<br>of Total City<br>Taxable<br>Assessed<br>Value |
| 625 Fair Oaks Investors LLC        | \$ 32,271,180                    | 1    | 0.58%                                                       |                                  |      |                                                             |
| WF Property Holdings LP            | 17,045,171                       | 2    | 0.31%                                                       |                                  |      |                                                             |
| GELT Storage 919 Mission LLC       | 17,004,357                       | 3    | 0.31%                                                       |                                  |      |                                                             |
| WWNC 1653 Amberwood Dr LLC         | 14,613,051                       | 4    | 0.26%                                                       |                                  |      |                                                             |
| NNC Apartment Ventures LLC         | 14,384,588                       | 5    | 0.26%                                                       |                                  |      |                                                             |
| DC El Centro Holdings              | 13,912,654                       | 6    | 0.25%                                                       |                                  |      |                                                             |
| Jerry B and Roberta L Furrey Trust | 13,275,602                       | 7    | 0.24%                                                       |                                  |      |                                                             |
| LDW Pico Properties LLC            | 12,721,289                       | 8    | 0.23%                                                       |                                  |      |                                                             |
| Casa De General LLC                | 12,576,512                       | 9    | 0.23%                                                       |                                  |      |                                                             |
| 99 Pasadena Avenue LLC             | 12,424,385                       | 10   | 0.22%                                                       |                                  |      |                                                             |
| H and O Fair Oaks Partners         |                                  |      |                                                             | \$ 16,708,308                    | 1    | 0.47%                                                       |
| 99 Pasadena Avenue LLC             |                                  |      |                                                             | 11,178,986                       | 2    | 0.32%                                                       |
| Casa De General LLC                |                                  |      |                                                             | 10,825,787                       | 3    | 0.31%                                                       |
| Golden Oaks Investment LLC         |                                  |      |                                                             | 9,381,719                        | 4    | 0.27%                                                       |
| NNC Terraces At South Pasadena     |                                  |      |                                                             | 9,255,664                        | 5    | 0.27%                                                       |
| California Empire LP               |                                  |      |                                                             | 9,011,592                        | 6    | 0.26%                                                       |
| KAN Investments Limited            |                                  |      |                                                             | 8,978,071                        | 7    | 0.26%                                                       |
| Richard Wagner Trust               |                                  |      |                                                             | 8,340,198                        | 8    | 0.24%                                                       |
| H P III Limited                    |                                  |      |                                                             | 7,838,110                        | 9    | 0.22%                                                       |
| Jerry B and Roberta L Furrey Trust |                                  |      |                                                             | 7,770,656                        | 10   | 0.22%                                                       |
| Total                              | <u>\$ 160,228,789</u>            |      | 2.89%                                                       | <u>\$ 99,289,091</u>             |      | 2.84%                                                       |

Source: (1) County of Los Angeles Assessor and HDL Coren and Cone

# CITY OF SOUTH PASADENA

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

| Fiscal<br>Year<br>Ended<br>June 30, | Taxes Levied<br>for the Fiscal<br>Year | Collected within the Fiscal<br>Year of the Levy |                       | Collections in<br>Subsequent<br>Years | Total Collections to Date |            |
|-------------------------------------|----------------------------------------|-------------------------------------------------|-----------------------|---------------------------------------|---------------------------|------------|
|                                     |                                        | Amount                                          | Percentage<br>of Levy |                                       | Amount                    | Percentage |
| 2013                                | \$ 8,244,644                           | \$ 8,211,281                                    | 99.6%                 | \$ (12,718)                           | \$ 8,198,563              | 99.4%      |
| 2014                                | 8,569,818                              | 8,389,757                                       | 97.9%                 | (16,427)                              | 8,373,331                 | 97.7%      |
| 2015                                | 9,063,962                              | 8,791,225                                       | 97.0%                 | (16,959)                              | 8,774,266                 | 96.8%      |
| 2016                                | 9,607,577                              | 9,281,790                                       | 96.6%                 | (19,676)                              | 9,262,115                 | 96.4%      |
| 2017                                | 10,163,709                             | 9,757,452                                       | 96.0%                 | (14,953)                              | 9,742,499                 | 95.9%      |
| 2018                                | 10,718,463                             | 10,421,475                                      | 97.2%                 | (18,677)                              | 10,396,718                | 97.0%      |
| 2019                                | 11,427,260                             | 10,832,812                                      | 94.8%                 | (56,597)                              | 10,776,215                | 94.3%      |
| 2020                                | 12,054,638                             | 11,959,079                                      | 99.2%                 | (35,338)                              | 11,923,741                | 98.9%      |
| 2021                                | 12,740,204                             | 12,430,784                                      | 97.6%                 | (23,528)                              | 12,407,256                | 97.4%      |
| 2022                                | 13,224,352                             | 13,118,545                                      | 99.2%                 | 2,129                                 | 13,120,674                | 99.2%      |

**Source:** Los Angeles County Tax Collector and City of South Pasadena, Finance Division  
HDL Property Tax Revenue

## ***Debt Capacity***

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# CITY OF SOUTH PASADENA

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

| Fiscal<br>Year | Governmental Activities (1) |                |       | Business-type Activities |            | Total Primary<br>Government | Percentage<br>of Personal<br>Income | Per<br>Capita <sup>a</sup> |
|----------------|-----------------------------|----------------|-------|--------------------------|------------|-----------------------------|-------------------------------------|----------------------------|
|                | Tax Allocation<br>Bonds     | Capital Leases | Loans | Water Revenue<br>Bonds   | State Loan |                             |                                     |                            |
| 2013           | \$ -                        | \$ 167,305     | \$ -  | \$ 49,887,458            | \$ -       | \$ 50,054,763               | 3.92%                               | 1,936                      |
| 2014           | -                           | 114,175        | -     | 48,854,762               | 527,283    | 49,496,220                  | 4.11%                               | 1,903                      |
| 2015           | -                           | 58,450         | -     | 47,838,993               | 2,475,913  | 50,373,356                  | 4.16%                               | 1,936                      |
| 2016           | -                           | -              | -     | 46,753,226               | 4,147,892  | 50,901,118                  | 4.21%                               | 1,956                      |
| 2017           | -                           | -              | -     | 48,533,332               | 6,373,623  | 54,906,955                  | 4.58%                               | 2,112                      |
| 2018           | -                           | -              | -     | 46,957,581               | 7,415,790  | 54,373,371                  | 4.26%                               | 2,088                      |
| 2019           | -                           | -              | -     | 45,526,831               | 9,866,459  | 55,393,290                  | 3.95%                               | 2,111                      |
| 2020           | -                           | -              | -     | 43,435,821               | 15,138,699 | 58,574,520                  | 3.95%                               | 2,301                      |
| 2021           | -                           | -              | -     | 42,560,331               | 14,740,387 | 57,300,718                  | 3.68%                               | 2,232                      |
| 2022           | -                           | -              | -     | 41,014,581               | 14,334,339 | 55,348,920                  | 3.34%                               | 2,082                      |

**Note:**

Details regarding the city's outstanding debt can be found in the notes to the financial statements

<sup>a</sup> See demographic and Economic Statistics schedule for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year

# CITY OF SOUTH PASADENA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2022

Fiscal Year 2021-22 Assessed Valuation : \$5,009,406,192 after deducting \$605,521,815 incremental value

|                                                            | <u>Debt<br/>Outstanding</u> | <u>%<br/>Applicable (1)</u> | <u>City's Share of<br/>Debt 6/30/2022</u> |
|------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------------------|
| <b>Direct Debt</b>                                         |                             |                             |                                           |
| 2012 State Loan Payable                                    | \$ 8,464,527                | 100.0000%                   | \$ 8,464,527                              |
| 2013 Water Revenue Bonds                                   | 3,840,000                   | 100.0000%                   | 3,840,000                                 |
| 2016 Water Revenue Bonds                                   | 33,385,000                  | 100.0000%                   | 33,385,000                                |
| Total Direct Debt                                          |                             |                             | <u>45,689,527</u>                         |
| <b>Overlapping Debt</b>                                    |                             |                             |                                           |
| Metropolitan Water District                                | \$ 9,835,780                | 0.324%                      | 31,868                                    |
| Pasadena Area Community College District 2014 Ref Series A | 9,280,000                   | 5.498%                      | 510,214                                   |
| Pasadena Area Community College District 2016 Ref Series A | 49,385,000                  | 5.498%                      | 2,715,187                                 |
| South Pasadena Unified 95 Series B                         | 211,253                     | 100.000%                    | 211,253                                   |
| South Pasadena Unified SD DS 95 S-C                        | 3,214,483                   | 100.000%                    | 3,214,483                                 |
| South Pasadena Unified SD DS 2010 REF BND                  | 2,267,583                   | 100.000%                    | 2,267,583                                 |
| South Pasadena USD DS 2012 REF BND                         | -                           | 100.000%                    | -                                         |
| South Pasadena USD DS 2016 Series A                        | 18,615,000                  | 100.000%                    | 18,615,000                                |
| South Pasadena USD DS 2018 REF 2002 Series B               | 9,425,617                   | 100.000%                    | 9,425,617                                 |
| South Pasadena USD DS 2016 Series B                        | 60,657,000                  | 100.000%                    | 60,657,000                                |
| Total Overlapping Tax and Assessment Debt                  |                             |                             | 97,648,206                                |
| <b>Combined Total Debt</b>                                 |                             |                             | <u>\$ 143,337,733</u>                     |

**Source:** (1) HDL Coren & Core, Los Angeles County Assessor

**Note:**

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the city
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds.

Debt to Assessed Valuation Ratios:

|                  |       |
|------------------|-------|
| Direct Debt      | 0.00% |
| Overlapping Debt | 1.95% |
| Total Debt       | 1.95% |



# CITY OF SOUTH PASADENA

## LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS (in thousands of dollars)

| Fiscal Year | Debt Limit | Total Net Debt<br>Applicable to Limit | Legal Debt<br>Limit | Total Net Debt<br>Applicable to the Limit<br>as a Percentage of Debt<br>Limit |
|-------------|------------|---------------------------------------|---------------------|-------------------------------------------------------------------------------|
| 2013        | \$ 471,822 | -                                     | \$ 471,822          | 0.00%                                                                         |
| 2014        | 494,193    | -                                     | 494,193             | 0.00%                                                                         |
| 2015        | 516,507    | -                                     | 516,507             | 0.00%                                                                         |
| 2016        | 544,458    | -                                     | 544,458             | 0.00%                                                                         |
| 2017        | 641,550    | -                                     | 641,550             | 0.00%                                                                         |
| 2018        | 682,691    | -                                     | 682,691             | 0.00%                                                                         |
| 2019        | 727,067    | -                                     | 727,067             | 0.00%                                                                         |
| 2020        | 767,520    | -                                     | 767,520             | 0.00%                                                                         |
| 2021        | 809,708    | -                                     | 809,708             | 0.00%                                                                         |
| 2022        | 840,746    | -                                     | 840,746             | 0.00%                                                                         |

### Legal Debt Margin Calculation for Fiscal Year 2022

|                                                                    |                   |
|--------------------------------------------------------------------|-------------------|
| Assessed value                                                     | \$ 5,604,976      |
| Debt limit (15% of assessed value)                                 | 840,746           |
| Debt applicable to limit:                                          |                   |
| General obligation bonds                                           | -                 |
| Less: Amount set aside for repayment<br>of general obligation debt | -                 |
| Total net debt applicable to limit                                 | -                 |
| Legal debt margin                                                  | <u>\$ 840,746</u> |

# CITY OF SOUTH PASADENA

## PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS (in thousands of dollars)

| Water Revenue Bonds |                            |                             |                          |              |          |          |
|---------------------|----------------------------|-----------------------------|--------------------------|--------------|----------|----------|
| Fiscal Year         | Utility Service<br>Charges | Less: Operating<br>Expenses | Net Available<br>Revenue | Debt Service |          | Coverage |
|                     |                            |                             |                          | Principal    | Interest |          |
| 2013                | \$ 8,029                   | \$ 5,563                    | \$ 2,466                 | \$ 255       | \$ 2,046 | 3.49     |
| 2014                | 9,221                      | 5,674                       | 3,547                    | 95           | 2,271    | 3.90     |
| 2015                | 8,695                      | 4,430                       | 4,265                    | 1,065        | 2,240    | 2.63     |
| 2016                | 8,094                      | 4,562                       | 3,532                    | 1,095        | 2,211    | 2.45     |
| 2017                | 8,805                      | 6,218                       | 2,587                    | 340          | 1,142    | 5.94     |
| 2018                | 9,627                      | 6,371                       | 3,256                    | 1,195        | 1,802    | 1.09     |
| 2019                | 9,176                      | 6,254                       | 2,922                    | 1,195        | 1,779    | 3.09     |
| 2020                | 11,742                     | 7,041                       | 4,701                    | 1,270        | 1,731    | 3.91     |
| 2021                | 11,705                     | 7,211                       | 4,494                    | 1,310        | 1,710    | 3.88     |
| 2022                | 12,207                     | 4,968                       | 7,239                    | 1,310        | 1,663    | 4.11     |

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
Operating expenses do not include interest, depreciation, or amortization expenses.

The Water Revenue bonds were issued in 2013 and 2016.

**Source:** City of South Pasadena Finance Department

## ***Demographic and Economic Information***

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**CITY OF SOUTH PASADENA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

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| <u>Calendar Year</u> | <u>Population</u> | <u>Personal Income<br/>(In Thousands)</u> | <u>Per Capita<br/>Personal Income</u> | <u>Unemployment<br/>Rate</u> |
|----------------------|-------------------|-------------------------------------------|---------------------------------------|------------------------------|
| 2012                 | 25,857            | \$ 1,277,956                              | \$ 49,424                             | 4.6%                         |
| 2013                 | 26,011            | 1,203,347                                 | 46,263                                | 3.7%                         |
| 2014                 | 26,022            | 1,211,194                                 | 46,545                                | 5.9%                         |
| 2015                 | 26,028            | 1,208,853                                 | 46,444                                | 4.7%                         |
| 2016                 | 25,992            | 1,199,887                                 | 46,163                                | 3.7%                         |
| 2017                 | 26,047            | 1,276,801                                 | 49,019                                | 3.2%                         |
| 2018                 | 26,245            | 1,402,630                                 | 53,443                                | 3.9%                         |
| 2019                 | 25,458            | 1,483,267                                 | 58,263                                | 3.7%                         |
| 2020                 | 25,668            | 1,556,952                                 | 60,657                                | 9.9%                         |
| 2021                 | 26,580            | 1,655,050                                 | 62,266                                | 6.7%                         |

**Sources:** County of Los Angeles Auditor- Controller and HDL Coren and Cone.

# CITY OF SOUTH PASADENA

## PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

| Employer                                            | 2021-2022              |      |                                   | 2012-2013              |      |                                   |
|-----------------------------------------------------|------------------------|------|-----------------------------------|------------------------|------|-----------------------------------|
|                                                     | Number of<br>Employees | Rank | Percent of<br>Total<br>Employment | Number of<br>Employees | Rank | Percent of<br>Total<br>Employment |
| SOUTH PASADENA CARE CENTER, LLC                     | 151                    | 1    | 3.76%                             |                        |      |                                   |
| TRADER JOE NO. 18                                   | 93                     | 2    | 2.32%                             |                        |      |                                   |
| RALPH'S GROCERY CO. #21                             | 92                     | 3    | 2.29%                             |                        |      |                                   |
| THE VONS COMPANIES - PAVILLIONS #2228               | 92                     | 4    | 2.29%                             |                        |      |                                   |
| BRISTOL FARMS                                       | 88                     | 5    | 2.19%                             |                        |      |                                   |
| VCA TLC PASADENA VETERINARY SPECIALTY AND EMERGENCY | 73                     | 6    | 1.82%                             |                        |      |                                   |
| CITY OF HOPE SOUTH PASADENA                         | 62                     | 7    | 1.54%                             |                        |      |                                   |
| THE VONS COMPANIES #3075                            | 61                     | 8    | 1.52%                             |                        |      |                                   |
| WHITTIER TRUST COMPANY                              | 54                     | 9    | 1.35%                             |                        |      |                                   |
| MC DONALD'S SOUTH PASADENA                          | 49                     | 10   | 1.22%                             |                        |      |                                   |
| Total                                               | 815                    |      | 20.30%                            |                        |      |                                   |
| MISSION HOSPICE                                     |                        |      |                                   | 161                    | 1    | 4.26%                             |
| BRISTOL FARMS                                       |                        |      |                                   | 153                    | 2    | 4.05%                             |
| So. PASADENA CONVALESCENT HOSPITAL                  |                        |      |                                   | 146                    | 3    | 3.86%                             |
| WNC INSURNACE SERVICES INC.                         |                        |      |                                   | 109                    | 4    | 2.89%                             |
| THE VONS COMPANIES INC. PAVILIONS                   |                        |      |                                   | 91                     | 5    | 2.41%                             |
| ORCHARD SUPPLY HARDWARE                             |                        |      |                                   | 79                     | 6    | 2.09%                             |
| RALPH'S GROCERY Co.                                 |                        |      |                                   | 73                     | 7    | 1.93%                             |
| TRADER JOE'S                                        |                        |      |                                   | 73                     | 8    | 1.93%                             |
| STARGATE FILMS INC.                                 |                        |      |                                   | 66                     | 9    | 1.75%                             |
| THE VONS COMPANIES INC.                             |                        |      |                                   | 58                     | 10   | 1.54%                             |
|                                                     |                        |      |                                   | 1,009.00               |      | 26.71%                            |
| Total City Employment (3)                           | 4,014                  |      |                                   | 3,778                  |      |                                   |

Source: South Pasadena Finance Department/Business License

# CITY OF SOUTH PASADENA

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

| Function/Program:     | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government    |             |             |             |             |             |             |             |             |             |             |
| Legislative           | 8           | 8           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           |
| City Manager          | 10          | 10          | 12          | 12          | 11          | 12          | 12          | 11          | 15          | 11          |
| Finance               | 8           | 9           | 9           | 9           | 9           | 9           | 5           | 6           | 7           | 7           |
| Public safety         | 81          | 79          | 81          | 80          | 80          | 77          | 75          | 80          | 82          | 76          |
| Community Development | 6           | 6           | 6           | 6           | 6           | 7           | 7           | 8           | 9           | 11          |
| Public Works          | 28          | 20          | 21          | 21          | 20          | 21          | 22          | 23          | 22          | 29          |
| Community Services    | 20          | 21          | 19          | 20          | 20          | 26          | 28          | 26          | 41          | 27          |
| Water Utility         | <u>11</u>   | <u>11</u>   | <u>10</u>   | <u>10</u>   | <u>10</u>   | <u>10</u>   | <u>10</u>   | <u>11</u>   | <u>11</u>   | <u>6</u>    |
| <b>Total</b>          | <u>172</u>  | <u>163</u>  | <u>163</u>  | <u>163</u>  | <u>161</u>  | <u>167</u>  | <u>164</u>  | <u>170</u>  | <u>192</u>  | <u>172</u>  |

Source: South Pasadena Finance Department/Adopted budget book

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## ***Operating Information***

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# CITY OF SOUTH PASADENA

## OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

| Function/Program                            | 2013   | 2014   | 2015  | 2016   | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  |
|---------------------------------------------|--------|--------|-------|--------|-------|-------|-------|-------|-------|-------|
| General Government:                         |        |        |       |        |       |       |       |       |       |       |
| Number of building permits issued           | 476    | 354    | 349   | 433    | 424   | 876   | 1,510 | 1,396 | 379   | 1621  |
| Number of building inspections conducted    | 2,380  | 2,568  | 2,087 | 1,860  | 2,041 | 3,240 | 3,775 | 2,287 | 1,846 | 2930  |
| Refuse collection                           |        |        |       |        |       |       |       |       |       |       |
| Refuse collected (tons per day)             | 85     | 83     | 69    | 74     | 77    | 83    | 80    | 86    | 79    | 81    |
| Recyclables collected (tons per day)        | 29     | 28     | 25    | 29     | 32    | 30    | 32    | 31    | 31    | 30    |
| Other public works                          |        |        |       |        |       |       |       |       |       |       |
| Street resurfacing (miles)                  | 1      | 1      | 2     | 2      | 0     | 5     | 1     | 1     | 2     | 0     |
| Potholes repaired *                         | 1,450  | 1,500  | 1,450 | 1,400  | 259   | 300   | 356   | 217   | 560   | 1300  |
| Water                                       |        |        |       |        |       |       |       |       |       |       |
| New connections                             | 6      | 11     | 7     | 8      | 5     | 2     | 6     | 288   | 362   | 334   |
| Water main breaks                           | 9      | 10     | 9     | 6      | 5     | 4     | 7     | 5     | 8     | 8     |
| Average daily consumption (million gallons) | 4      | 5      | 3     | 3      | 3     | 3     | 3     | 3     | 3     | 3     |
| Peak daily consumption (million gallons)    | 6      | 6      | 5     | 4      | 4     | 4     | 5     | 4     | 4     | N/A   |
| Fire Department                             |        |        |       |        |       |       |       |       |       |       |
| Number of emergency calls responded to      | 1,594  | 1,695  | 1,775 | 1,880  | 1,483 | 2,584 | 2,276 | 2,445 | 2,180 | 2,572 |
| Number of fire inspections                  | 296    | 563    | 521   | 520    | 540   | 1,163 | 1,800 | 1,163 | 1,440 | 1,606 |
| Police Department                           |        |        |       |        |       |       |       |       |       |       |
| Arrest statistics                           | 1,080  | 1,003  | 855   | 699    | 830   | 829   | 779   | 706   | 439   | 347   |
| Traffic citations                           | 3,753  | 3,717  | 2,847 | 2,288  | 4,313 | 4,038 | 3,815 | 2,970 | 131   | 2,482 |
| Parking citations                           | 10,936 | 11,388 | 8,843 | 10,811 | 9,136 | 7,803 | 7,071 | 4,517 | 4,906 | 4,450 |
| Community Services                          |        |        |       |        |       |       |       |       |       |       |
| Facility rentals                            | 69     | 89     | 86    | 95     | 142   | 80    | 363   | 411   | 163   | 233   |
| Recreation classes                          | 441    | 432    | 399   | 416    | 465   | 277   | 631   | 593   | 703   | 506   |

**Note:** \* Based on average sized potholes and cold patch purchased

**Source:** Various City Departments.

## CITY OF SOUTH PASADENA

### CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

| <u>Function/Program</u>            | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Other public works                 |             |             |             |             |             |             |             |             |             |             |
| Street (miles)                     | 55          | 55          | 55          | 55          | 55          | 55          | 55          | 69          | 69          | 69          |
| Traffic signals                    | 31          | 31          | 31          | 31          | 31          | 31          | 33          | 33          | 33          | 33          |
| Park and recreation                |             |             |             |             |             |             |             |             |             |             |
| Parks                              | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           |
| Acreage                            | 89          | 89          | 89          | 89          | 89          | 89          | 89          | 89          | 89          | 89          |
| Playgrounds                        | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Baseball/softball diamonds         | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           |
| Soccer/football fields             | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Community centers                  | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           |
| Water                              |             |             |             |             |             |             |             |             |             |             |
| Water mains (miles)                | 68          | 68          | 68          | 68          | 68          | 68          | 68          | 70          | 70          | 70          |
| Fire hydrants                      | 165         | 165         | 165         | 165         | 165         | 165         | 308         | 452         | 452         | 452         |
| Storage capacity (million gallons) | 13          | 13          | 13          | 13          | 13          | 13          | 13          | 14          | 14          | 14          |
| Sewage System                      |             |             |             |             |             |             |             |             |             |             |
| Sanitary sewers (miles)            | 55          | 55          | 55          | 55          | 55          | 55          | 55          | 58          | 58          | 58          |
| Storm sewers (miles)               | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           |

**Notes:** No capital asset indicators available for the general government.

**Sources:** Various City departments.



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***Independent Accountant's Report on  
Agreed-Upon Procedures Applied to the  
Appropriations Limit Worksheet***

***Independent Accountant's Report***

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To the Honorable City Council  
City of South Pasadena

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the City of South Pasadena, California (the City) for the year ended June 30, 2022. The management of the City is responsible for the accompanying Appropriations Limit Worksheet.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. These procedures, which were suggested by the League of California Cities and presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*, were performed solely to assist you in meeting the requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We agreed the current year information presented in the accompanying Appropriations Limit Worksheet to the other documents referenced in number one above.

Finding: No exceptions were noted as a result of our procedures.



4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet to the prior year appropriations limit adopted by the City Council during the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on accompanying Appropriations Limit Worksheet for the year ended June 30, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council and management of the City of South Pasadena, California, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
February 8, 2023

**City of South Pasadena  
Appropriations Limit Computation  
2021 - 2022**

|                                                          |                             |
|----------------------------------------------------------|-----------------------------|
| Per Capita Personal Income Change                        | 5.73%                       |
| Population Change:                                       |                             |
| City Population Growth                                   | -0.72%                      |
| CPI Change Converted to a Ratio                          | 1.0573                      |
| Population Change Converted to a Ratio                   | 0.9928                      |
| Calculation of Growth Factor (1.0573 x 0.9928)           | 1.0497                      |
| 2020 - 2021 Appropriations Limit                         | <u>\$ 28,162,639</u>        |
| 2021 - 2022 Appropriations Limit (\$28,162,639 x 1.0497) | <u><u>\$ 29,561,968</u></u> |

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### *Independent Auditor's Report*

To the Honorable City Council  
City of South Pasadena

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Pasadena (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 8, 2023.

### *Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying *Schedule of Findings and Responses*, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *Schedule of Findings and Responses* as items 2022-001 and 2022-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying *Schedule of Findings and Responses* as item 2022-003 to be a significant deficiency.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be significant deficiencies.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Responses*. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
February 8, 2023

## **Schedule of Findings and Responses**

### **Finding 2022-001 Material Weakness – Bank Reconciliations (previously reported as Finding 2021-001)**

#### **Criteria**

Bank reconciliations should be prepared, reviewed and approved in a timely manner.

#### **Condition and Context**

During our audit, we noted that bank statements for various accounts were not reconciled to the general ledger in a timely manner.

#### **Cause**

The City did not have controls in place to ensure bank reconciliations were performed in a timely manner.

#### **Effect**

Most of the problems encountered within the area of cash can be avoided if a proper system of checks and balances is incorporated into the City's procedures.

#### **Recommendation**

We recommend that all of the bank accounts be reconciled monthly to the general ledger and that all unusual reconciling items be promptly investigated and adjusted with adequate explanations. This is a repeat finding from the prior year, and although we observed some progress toward correcting this item, it was not sufficient to fully remove the finding.

#### **Views of Responsible Officials and Planned Corrective Actions**

See accompanying "Corrective Action Plan".

### **Finding 2022-002 Material Weakness – Accounting and Management of Capital Assets (previously reported as Finding 2021-002)**

#### **Criteria**

Capital asset listings should be complete and depreciation expense should be calculated on each asset individually, utilizing accounting software.

#### **Condition and Context**

During our audit, we noted that certain capital assets were missing from the detailed listing of capital assets.

#### **Cause**

The City did not have controls in place to ensure capital assets and related depreciation expense was properly recorded.

#### **Effect**

The lack of procedures and controls over capital assets and related depreciation expense has led to inaccurate reporting of capital asset costs.

## **Schedule of Findings and Responses**

### **Recommendation**

We recommend that the City utilize the accounting software to assist in tracking capital asset purchases and disposals and assist in calculating depreciation expense and recoding the related entries. This is a repeat finding from the prior year, and although we observed some progress toward correcting this item, it was not sufficient to fully remove the finding.

### **Views of Responsible Officials and Planned Corrective Actions**

See accompanying "Corrective Action Plan".

## **Finding 2022-003 Significant Deficiency – Year-End Closing Process (previously reported as Finding 2021-003)**

### **Criteria**

An important element of internal controls over financial reporting is for the entity to have procedures in place to ensure that all relevant accounts are reconciled at year-end.

### **Condition and Context**

Over the past three years, the City has experienced a high turnover at the management level in the Finance Department. As a result, many accounts were not properly reviewed and/or reconciled at year-end in preparation for the audit. These accounts include (but are not limited to) capital assets amongst all funds, accounts payable, and cash.

### **Cause**

The City did not maintain the appropriate staffing levels to allow for the proper year-end closing process.

### **Effect**

The City could be under/overstating amounts reported in the financial statements.

### **Recommendation**

We recommend the City maintain proper staffing levels within the Finance Department to allow for the proper review and reconciliation at year-end. This is a repeat finding from the prior year, and although we observed some progress toward correcting this item, it was not sufficient to fully remove the finding.

### **Views of Responsible Officials and Planned Corrective Actions**

See accompanying "Corrective Action Plan".



## CITY OF SOUTH PASADENA

CITY CLERK DIVISION

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### Corrective Action Plan

#### **Finding 2022-001 Material Weakness – Bank Reconciliations (previously reported as Finding 2021-001)**

Corrective Action: Management is in agreement with the recommendation and has been working diligently to improve the reconciliation process. There are staff members dedicated and responsible for the reconciliation process. Staff have cleared the backlog and is running one to two months behind due to Audits.

Proposed Completion Date: Management anticipates to have the bank reconciliations completed through January 2023 up to date by February 2023 and plan to continue the momentum.

#### **Finding 2022-002 Material Weakness – Accounting and Management of Capital Assets (previously reported as Finding 2021-002)**

Corrective Action: Management agrees with the recommendation and will be exploring the capability of the current accounting software to manage the capital assets and assist in tracking purchases, disposals and assist in calculating depreciation expense.

Proposed Completion Date: Management is working with Springbrook (our current financial software) to utilize the Capital Assets module. Management has requested for capital assets information from auditors and will use that information to produce our Capital Assets information in tracking purchases, disposals and assist in calculating depreciation expense.

#### **Finding 2022-003 Significant Deficiency – Year-End Closing Process (previously reported as Finding 2020-003)**

Corrective Action: Management agrees with the recommendation and will be looking to implement procedures for the year end process to ensure all relevant accounts are reconciled at year end. Management will also review the current staffing levels to determine appropriate staffing levels are maintained.



Proposed Completion Date: Management will be sure to designate resources to create year end procedures to ensure all relevant accounts are reconciled prior to the 2022/2023 audit. Management plans on hiring on one full-time staff during mid-year and another in July 2023.



Hsiulee K. Tran  
Deputy Finance Director/Controller





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To the Honorable City Council  
City of South Pasadena

We have audited the financial statements of the City of South Pasadena (the City) as of and for the year ended June 30, 2022, and have issued our report thereon dated February 8, 2023. Professional standards require that we advise you of the following matters relating to our audit.

#### Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated November 7, 2022, our responsibility, as described by professional standards, is to form and express an opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding material weaknesses over financial reporting and material noncompliance and other matters noted during our audit in a separate letter to you dated February 8, 2023.

#### Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

### **Significant Risk Identified**

We have identified the possibility of the following significant risks:

*Management's override of internal controls over financial reporting:* Management override of internal controls is the intervention by management in handling financial information and making decisions contrary to internal control policy.

*Revenue recognition:* Revenue recognition is a generally accepted accounting principle that refers to the conditions under which an entity can recognize a transaction as revenue. Auditing standards indicate that recognizing revenue is a presumed fraud risk and usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

## **Qualitative Aspects of the City's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. The City adopted GASB Statement No. 87, Leases, during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments and determined that it is reasonable in relation to the basic financial statements taken as a whole.
- Management's estimate of depreciation expense is based on the useful lives of acquired assets. We evaluated the key factors and assumptions used to develop depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.



- Management's estimate of the net pension liability and other post-employment benefits liability and related deferred inflows and outflows are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the statements taken as a whole.
- Management's estimate of leases receivable, deferred inflows of resources related to leases, and lease amortization is based on present value calculations using certain terms and assumptions in the lease agreements in accordance with generally accepted accounting principles. We evaluated the key factors and assumptions used to develop the lease related estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

#### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to:

- The disclosure of fair value of investments in the basic financial statements represents amounts susceptible to market fluctuations.
- The disclosure of accumulated depreciation in the basic financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.
- The disclosure of net pension liability and other post-employment benefits liability and related deferred inflows and outflows in the basic financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.
- The disclosure of leases receivable, deferred inflows of resources related to leases, and lease amortization in the basic financial statements is based on certain terms and assumptions in the lease agreements which could differ from actual amounts.

#### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all such misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached Schedule A summarizes material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated February 8, 2023.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

## **Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards:

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual non-major fund financial statements and the budgetary comparison schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Honorable City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Rogers, Anderson, Malachy & Scott, LLP.*

San Bernardino, California  
February 8, 2023

Client: **CIT0011 - City of South Pasadena**  
Engagement: **2022 - City of South Pasadena**  
Period Ending: **6/30/2022**  
Trial Balance: **TB Database - All Funds**  
Workpaper: **3700.01 - Combined Journal Entries Report**  
Fund Level: **All**  
Index: **All**

Schedule A

| Account                                                                                 | Description                    | W/P Ref        | Debit                | Credit               |
|-----------------------------------------------------------------------------------------|--------------------------------|----------------|----------------------|----------------------|
| <b>Adjusting Journal Entries JE # 3</b>                                                 |                                |                |                      |                      |
|                                                                                         |                                | <b>3700.10</b> |                      |                      |
| System glitch caused TB to not balance. One-sided journal entry to correct.             |                                |                |                      |                      |
| 101-0000-0000-5260-002                                                                  | Library Fines                  |                |                      | 78.70                |
| <b>Total</b>                                                                            |                                |                | <b>0.00</b>          | <b>78.70</b>         |
| <b>Adjusting Journal Entries JE # 5</b>                                                 |                                |                |                      |                      |
|                                                                                         |                                | <b>4600.05</b> |                      |                      |
| To record capital asset activity                                                        |                                |                |                      |                      |
| 210-0000-0000-1500-000                                                                  | Construction-in-Progress       |                | 108,262.70           |                      |
| 210-0000-0000-9999-000                                                                  | Depreciation Expense           |                | 196,472.19           |                      |
| 295-0000-0000-9999-000                                                                  | Depreciation Expense           |                | 50,783.51            |                      |
| 500-0000-0000-1500-000                                                                  | Construction in Progress       |                | 95,823.68            |                      |
| 500-0000-0000-1901-000                                                                  | Improv. other than Buildings   |                | 11,607,094.33        |                      |
| 500-0000-0000-1905-000                                                                  | Infrastructure                 |                | 15,881.00            |                      |
| 500-0000-0000-9999-000                                                                  | Depreciation Expense           |                | 1,950,425.24         |                      |
| 210-0000-0000-1913-000                                                                  | Accum. Depreciation - M & E    |                |                      | 73,219.25            |
| 210-0000-0000-1915-000                                                                  | Accum. Depreciation - Infrast. |                |                      | 123,252.94           |
| 210-9000-9403-9403-000                                                                  | Integrated Water & Wastewater  |                |                      | 108,262.70           |
| 295-0000-0000-1911-000                                                                  | Accum. Depreciation - Imprv.   |                |                      | 6,476.78             |
| 295-0000-0000-1912-000                                                                  | Accum. Depreciation - Bldgs.   |                |                      | 1,089.74             |
| 295-0000-0000-1913-000                                                                  | Accum. Depreciation - M & E    |                |                      | 27,202.25            |
| 295-0000-0000-1915-000                                                                  | Accum. Depreciation - Infrast. |                |                      | 16,014.74            |
| 500-0000-0000-1500-000                                                                  | Construction in Progress       |                |                      | 11,622,975.33        |
| 500-0000-0000-1911-000                                                                  | Accum. Depreciation - Imprv.   |                |                      | 605,652.56           |
| 500-0000-0000-1912-000                                                                  | Accum. Depreciation - Bldgs.   |                |                      | 82,250.12            |
| 500-0000-0000-1913-000                                                                  | Accum. Depreciation - M/E      |                |                      | 30,663.84            |
| 500-0000-0000-1915-000                                                                  | Accum. Depreciation - Infrast. |                |                      | 1,231,858.72         |
| 500-9000-9000-9010-000                                                                  | CIP Expenses                   |                |                      | 95,823.68            |
| <b>Total</b>                                                                            |                                |                | <b>14,024,742.65</b> | <b>14,024,742.65</b> |
| <b>Adjusting Journal Entries JE # 13</b>                                                |                                |                |                      |                      |
|                                                                                         |                                | <b>5800.01</b> |                      |                      |
| To record change in net pension liability and the related deferred outflow and inflows. |                                |                |                      |                      |
| 210-0000-0000-1460-001                                                                  | Deferred Outflow - Actuarial   |                | 98,513.00            |                      |
| 210-0000-0000-2850-000                                                                  | Net Pension Liability          |                | 100,975.00           |                      |
| 210-9750-9990-9990-000                                                                  | Pension Expense                |                | 103,249.00           |                      |
| 500-0000-0000-1460-001                                                                  | Deferred Outflow - Actuarial   |                | 361,133.00           |                      |
| 500-0000-0000-2850-000                                                                  | Net Pension Liability          |                | 561,006.00           |                      |
| 500-9750-9990-9990-000                                                                  | Pension Expense                |                | 292,712.00           |                      |
| 820-0000-0000-1460-002                                                                  | Deferred Outflow - Pension     |                | 3,515,701.00         |                      |
| 820-0000-0000-2850-000                                                                  | Net Pension Liability          |                | 14,979,268.00        |                      |
| 210-0000-0000-2850-001                                                                  | Deferred Inflow - Actuarial    |                |                      | 302,737.00           |
| 500-0000-0000-2850-001                                                                  | Deferred Inflow - Actuarial    |                |                      | 1,214,851.00         |
| 820-0000-0000-2850-001                                                                  | Deferred Inflow - Actuarial    |                |                      | 17,066,585.00        |
| 820-0000-0000-3200-000                                                                  | Fund Balance - Undesignated    |                |                      | 1,428,384.00         |
| <b>Total</b>                                                                            |                                |                | <b>20,012,557.00</b> | <b>20,012,557.00</b> |
| <b>Adjusting Journal Entries JE # 14</b>                                                |                                |                |                      |                      |
|                                                                                         |                                | <b>7100.30</b> |                      |                      |
| To reclass ARPA revenues                                                                |                                |                |                      |                      |
| 101-0000-0000-5505-002                                                                  | SLF Recovery Funds             |                | 3,029,618.00         |                      |
| 101-0000-0000-2600-000                                                                  | Unearned Revenue               |                |                      | 3,029,618.00         |
| <b>Total</b>                                                                            |                                |                | <b>3,029,618.00</b>  | <b>3,029,618.00</b>  |
| <b>Adjusting Journal Entries JE # 17</b>                                                |                                |                |                      |                      |
|                                                                                         |                                | <b>4200.35</b> |                      |                      |
| To record beginning balance of lease receivable and deferred inflow.                    |                                |                |                      |                      |
| 101-0000-0000-1130-000                                                                  | Lease Receivable               |                | 828,404.32           |                      |
| 101-0000-0000-2850-003                                                                  | Deferred Inflow - Leases       |                |                      | 828,404.32           |
| <b>Total</b>                                                                            |                                |                | <b>828,404.32</b>    | <b>828,404.32</b>    |
| <b>Adjusting Journal Entries JE # 18</b>                                                |                                |                |                      |                      |
|                                                                                         |                                | <b>4200.35</b> |                      |                      |
| To record current year lease receipts and lease activity.                               |                                |                |                      |                      |

|                        |                          |                  |                  |
|------------------------|--------------------------|------------------|------------------|
| 101-0000-0000-2850-003 | Deferred Inflow - Leases | 78,895.65        |                  |
| 101-0000-0000-4825-000 | Rental - Tennis          | 5,104.35         |                  |
| 101-0000-0000-1130-000 | Lease Receivable         |                  | 75,179.16        |
| 101-0000-0000-4800-000 | Interest Income          |                  | 8,820.84         |
| <b>Total</b>           |                          | <b>84,000.00</b> | <b>84,000.00</b> |

#### Adjusting Journal Entries JE # 22

To record change in net OPEB liability and the related change in deferred inflow/outflows.

|                        |                          |                   |                   |
|------------------------|--------------------------|-------------------|-------------------|
| 210-0000-0000-1460-003 | Deferred Outflow - OPEB  | 35,520.00         |                   |
| 210-0000-0000-2800-000 | OPEB Liability           | 49,950.00         |                   |
| 500-0000-0000-1460-003 | Deferred Outflows - OPEB | 177,917.00        |                   |
| 500-0000-0000-2800-000 | OPEB Liability           | 250,199.00        |                   |
| 210-0000-0000-2850-002 | Deferred Inflow - OPEB   |                   | 5,031.00          |
| 210-9700-9997-9997-000 | OPEB Expense             |                   | 80,439.00         |
| 500-0000-0000-2850-002 | Deferred Inflow - OPEB   |                   | 25,199.00         |
| 500-9700-9997-9997-000 | OPEB Expenses            |                   | 402,917.00        |
| <b>Total</b>           |                          | <b>513,586.00</b> | <b>513,586.00</b> |

#### Adjusting Journal Entries JE # 23

5200.15

To record the change in compensated absences.

|                        |                              |                  |                  |
|------------------------|------------------------------|------------------|------------------|
| 210-0000-0000-2400-000 | Compensated Absences Payable | 12,657.24        |                  |
| 500-0000-0000-2400-000 | Compensated Absences Payable | 7,410.42         |                  |
| 210-6010-6501-7000-000 | Salaries - Permanent         |                  | 12,657.24        |
| 500-3010-3012-7000-000 | Salaries - Permanent         |                  | 7,410.42         |
| <b>Total</b>           |                              | <b>20,067.66</b> | <b>20,067.66</b> |

#### Adjusting Journal Entries JE # 29

3700.23

PBC JE 017-13-2022. To record the FMV adjustment for LAIF

|                        |                          |                   |                   |
|------------------------|--------------------------|-------------------|-------------------|
| 101-0000-0000-4805-000 | Unrealized Gain / Loss   | 200,599.17        |                   |
| 101-0000-0000-1035-000 | LAIF - Fair Market Value |                   | 200,599.17        |
| <b>Total</b>           |                          | <b>200,599.17</b> | <b>200,599.17</b> |

#### Adjusting Journal Entries JE # 30

3700.24

PBC JE 018-13-2022. To correct C/A balance in the Golf Course Fund by expensing assets that were under the threshold.

|                        |                         |                 |                 |
|------------------------|-------------------------|-----------------|-----------------|
| 295-8040-8041-8520-000 | Machinery and Equipment | 4,221.82        |                 |
| 295-0000-0000-1903-000 | Machinery & Equipment   |                 | 4,221.82        |
| <b>Total</b>           |                         | <b>4,221.82</b> | <b>4,221.82</b> |



## CITY OF SOUTH PASADENA

CITY CLERK DIVISION

1414 MISSION STREET, SOUTH PASADENA, CA 91030

TEL: (626) 403-7210 ■ FAX: (626) 403-7211

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February 8, 2023

Rogers, Anderson, Malody & Scott, LLP  
735 E. Carnegie Drive, Suite 100  
San Bernardino, CA 92408

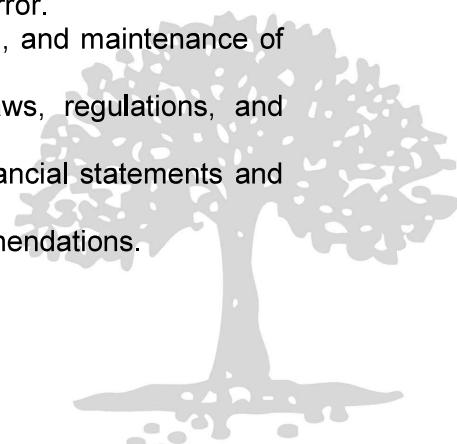
This representation letter is provided in connection with your audit of the financial statements of the City of South Pasadena (the City) as of June 30, 2022, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of February 8, 2023:

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 7, 2022, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6. We have a process to track the status of audit findings and recommendations.



7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
9. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
10. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
12. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
13. All funds and activities are properly classified.
14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
15. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
16. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
17. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
18. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
19. All interfund and intra-entity transactions and balances have been properly classified and reported.
20. Special items and extraordinary items have been properly classified and reported, if applicable.
21. Deposit and investment risks have been properly and fully disclosed.
22. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
23. All required supplementary information is measured and presented within the prescribed guidelines.
24. With regard to investments and other instruments reported at fair value:
  - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c. The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

25. With respect to nonattest services, including assistance in preparing the financial statements, we have performed the following:
- Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained internal controls, including monitoring ongoing activities.

### **Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the City's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
- We have no knowledge of any fraud or suspected fraud that affects the City and involves—
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the City's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business,

revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

13. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
14. There are no:
  - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with financial reporting standards.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by financial reporting standards.
  - d. Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
15. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
16. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
17. We acknowledge our responsibility for Required Supplementary Information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
18. With respect to the Supplementary Information, as listed in the table of contents, of the financial statements:
  - a. We acknowledge our responsibility for presenting the Supplementary Information in accordance with accounting principles generally accepted in the United States of America and we believe the Supplementary Information, including its form and content, is fairly presented in accordance with applicable criteria.
  - b. The methods of measurement or presentation have not changed from those used in the prior period and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the Supplementary Information.
  - c. When the Supplementary Information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the Supplementary Information no later than the date of issuance by the City of the Supplementary Information and the auditor's report thereon.
  - d. We acknowledge our responsibility to include the auditor's report on the Supplementary Information in any document containing the Supplementary Information and that indicates the auditor reported on such Supplementary Information.
  - e. We acknowledge our responsibility to present the Supplementary Information with the audited financial statements or, if the Supplementary Information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the Supplementary



Information no later than the date of issuance by the City of the Supplementary Information and the auditor's report thereon.

19. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
20. We agree with the findings of specialists in evaluating the GASB 68 accounting report and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
21. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Signature: 

Title: City Manager

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# City Council Agenda Report

ITEM NO. \_\_\_\_\_

**DATE:** February 15, 2023

**FROM:** Arminé Chaparyan, City Manager *AC*

**PREPARED BY:** Tamara Binns, Assistant to the City Manager  
Andrew L. Jared, City Attorney

**SUBJECT:** **Termination Emergency Order Effective March 1, 2023; Remote Teleconference Meetings of the Legislative Bodies; Continuation of Participation by the Public Through Remote Access**

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## Recommendation

It is recommended that the City Council:

1. Approve a Resolution ending the Local Emergency Order effective March 1, 2023;
2. Continue programs enacted pursuant to emergency declaration through timeframes established in existing resolutions: al fresco dining, 90 days; commercial signage, 30 days; and tenant protection, consistent with Los Angeles County; and
3. Continue allowing public participation through remote access at council and commission meetings.

## Background

### Emergency Declarations

On March 18, 2020, pursuant to Government Code Section 8630(c), the South Pasadena City Council adopted Resolution No. 7646 declaring a local emergency, restricting private and public gatherings, and establishing protections for residential and commercial tenants, among other things. Under the Government Code, such declarations need to be extended every 60 days. Emergency declaration must be formally terminated by the City.<sup>1</sup> The City adopted periodic resolutions to continue the

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<sup>1</sup> Gov't. Code, § 8630, subd. (d) ("The governing body shall proclaim the termination of the local emergency at the earliest possible date that conditions warrant.").

local state of emergency.<sup>2</sup> The most recent declaration was on September 7, 2022. (Resolution No. 7786).

On March 4, 2020, Governor Newsom issued a statewide proclamation of emergency related to the COVID-19 outbreak. The statewide emergency declaration waived the 60-day duration for local declarations in the Government Code whereby a city must renew a continuing local emergency declaration. Many cities, such as South Pasadena, continued to revisit the declaration renewal issue and add new programs, in part because of the need under AB 361 to return every 30 days for renewal of Brown Act remote meeting findings.

On June 17, 2020, the City Council adopted Resolution No. 7657 which continued the local emergency and created the *al fresco* dining retail program. On September 15, 2021, the City adopted Resolution No. 7732 which clarified that the *al fresco* dining retail program would continue until the termination of the local emergency. The Program waived the City's outdoor dining permit fee and granted the City Manager the ability to relocate ADA parking spaces to other public right of way space or public facilities. The *al fresco* dining retail program will be valid for "90 days after the termination of the Declaration of Local Emergency."<sup>3</sup>

The City also relaxed its commercial signage requirements to allow for additional temporary signs as part of its emergency declarations. Upon termination of the local emergency declaration, the temporary signage allowed under this provision of the local declaration will need to be removed within 30 days.

As the emergency declarations come to an end, these programs will also cease based on the terms of the original resolutions.

The City did not adopt a residential tenant protection program of its own, but rather recognized the state law (AB 832) was applicable to all tenants, and extended the protections being provided by the County of Los Angeles to the residents of South Pasadena. Those County programs are now expiring based on the actions of Los

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<sup>2</sup> The City Council renewed the declaration of local emergency on May 6, 2020 (Resolution No. 7648), June 17, 2020 (Resolution No. 7657), August 5, 2020 (Resolution No. 7669), August 19, 2020 (Resolution No. 7678), October 21, 2020 (Resolution No. 7685), December 16, 2020 (Resolution No. 7690), February 17, 2021 (Resolution No. 7703), April 7, 2021 (Resolution No. 7713), June 2, 2021 (Resolution No. 7721), July 21, 2021 (Resolution No. 7726), September 15, 2021 (Resolution No. 7732), November 3, 2021 (Resolution Nos. 7734 and 7739), December 1, 2021 (Resolution No. 7741), December 15, 2021 (Resolution No. 7743), January 12, 2022 (Resolution No. 7746), February 2, 2022 (Resolution No. 7749), March 2, 2022 (Resolution No. 7755), May 18, 2022 (Resolution No. 7764), June 15, 2022 (Resolution No. 7770); July 7, 2022 (Resolution No. 7780); July 20, 2022 (Resolution No. 7781); and September 7, 2022 (Resolution 7786).

Angles County. Adopting the attached resolution would continue to afford protections to tenants as long as the County protections remain in place; failing to adopt such language potentially risks continuation of such programs prior to March 31, 2023.

The City also acknowledged the action by Los Angeles County in capping food delivery fees. The status of the County ordinance regarding this issue is believed to be expired as the predicate basis for such ordinance was the now-expired Los Angeles County Health Order regarding closure of restaurants. No further action is required regarding this matter at this time.

#### Brown Act Orders and Amendments

Beginning in March 2020, Governor Newsom issued a series of Executive Orders aimed at containing COVID-19 and accommodating governance through remote participation. Executive Orders—N-25-20, N-29-20, and N-35-20 (Brown Act Orders) waived requirements in the Brown Act expressly or impliedly requiring the physical presence of city councilmembers, staff, or the public at local agency meetings. Specifically, the orders waived the following requirements:

1. Posting of each teleconference location from which elected/appointed officials will be participating on notices and agendas;
2. Members of the public being required to be present at each teleconference location;
3. Members of the public participating in the meeting from each teleconference location; and
4. At least a quorum of the members participating from locations within the agency's jurisdiction.

On June 11, 2021, the Governor issued Executive Order N-08-21, to begin winding down some of the prior measures that were adopted to respond to COVID-19. Notably, N-08-21 rescinded certain temporary suspensions of the Brown Act's meeting requirements.

On September 16, 2021, Governor Newsom signed Assembly Bill (AB) 361, which allowed cities to continue to meet remotely during proclaimed states of emergency under modified Brown Act requirements that were similar --but not identical to the rules and procedures established by the Governor's Brown Act Orders. Unlike the Brown Act Orders, AB 361 required the City to make affirmative findings to take advantage of the more flexible teleconferencing standards, and to renew such standards every thirty (30) days. AB 361 added Government Code section 54953, subdivision (e)(3), which stated:

"If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference ... the legislative body shall, not later than 30 days after teleconferencing for the first time ... and every 30 days thereafter, make the following findings by majority vote:

- (A) The legislative body has reconsidered the circumstances of the state of emergency.
- (B) Any of the following circumstances exist:
  - (i) The state of emergency continues to directly impact the ability of the members to meet safely in person.
  - (ii) State or local officials continue to impose or recommend measures to promote social distancing."

Because the statewide state of emergency was still in effect at the time, in response to the Brown Act Orders and SB 361, the City adopted periodic resolutions authorizing the City's Council and Commissions to conduct remote teleconference meetings, but the City Council allowed those remote teleconferencing provisions to expire on October 7, 2022.

On January 1, 2023, notable changes to public meeting laws took effect under AB 2449. That along with Governor Newsom's announcement that the COVID-19 State of Emergency will end on February 28, 2023 now result in the City state of emergency and the relaxation of certain codes coming to an end.

## **Analysis**

### State of California Sunset of COVID-19 Emergency

Governor Newsom proclaimed that California's current COVID-19 state of emergency will end February 28, 2023, meaning agencies will no longer be able to trigger remote meeting procedures in Government Code section 54953(e)(1) (e.g., AB 361 or AB 2449) in reliance on that emergency proclamation.

As discussed more thoroughly below, effective March 1, 2023, Brown Act bodies will be required to meet in person at the regularly noticed meeting location. Remote participation is still possible for individual members on a limited basis, but there must be an in-person quorum.

### Next Steps for Local Emergency Declaration

Staff recommends City Council adopt a resolution formally proclaiming an end to the Local Emergency for COVID-19, mirroring the State of California. Doing so will bring the City in line with the State. Government Code § 8630 (d) requires that a governing body that declares a state of local emergency, "shall proclaim the termination of the local emergency at the earliest possible date that conditions warrant."

Here, given that there is no longer a Statewide declaration of emergency, the City stopped declaring its own local emergencies in September 2022, and the circumstances relating to COVID-19 as a basis for a local emergency no longer exist, requirement is that the City formally terminate at the earliest date possible that conditions warrant necessitates the City to formally terminate the local first declared on March 18, 2020.

It is recommended that the Council adopt the attached resolution formally proclaiming an end to the local state of emergency.

Remote Meetings and Teleconferencing

A local agency legislative body may hold a meeting utilizing teleconferencing without complying with the Brown Act teleconferencing requirements if a state of emergency has been proclaimed by the Governor, and any of the following circumstances are present (Gov. Code sec. 54953(e)(1):

- State or local officials have imposed or recommended measures to promote social distancing.
- The meeting was held for the purposes of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
- The legislative body determined by majority vote that as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

If those circumstances are met and the City passes a resolution authorizing holding meetings by teleconference, then the City may hold meetings by teleconference if they comply with the following standards (Gov. Code sec. 54953(e)(2):

- Notice of the meeting must be given as required by the Brown Act.
- The agenda must state how members of the public can access the meeting and offer public comment, including attendance by call-in option and/or internet-based service option. If the meeting broadcast or access to participation is disrupted (e.g., by technology issues), the City cannot take further action on agenda items until public access to the meeting is restored.
- The City cannot require public comments be submitted in advance of the meeting, but instead must provide an opportunity for real-time participation by members of the public. The City can encourage public comment be submitted before meetings.
- If the City provides a timed public comment period for each agenda item (i.e., 20 minutes per item), it cannot close public comment until that time period has concluded. If the City does not provide a timed public comment period for each agenda item, then it must allow a reasonable amount of time for members of the public to participate.

The key factor however is that the emergency is a Governor-proclaimed emergency (Gov. Code sec. 54953(j)(5), defining "state of emergency"). Accordingly, as no state of emergency exists, these remote meeting provisions may not be used for council or commissions to hold meetings any further.

Individual Council Member/Commissioner Remote Participation in Public Meetings

Beginning January 1, 2023, members may attend meetings remotely without resorting to the teleconference rules, regardless of whether there is a declared state of emergency under limited circumstances.

Assembly Bill 2449 established Government Code section 54953(f) which provides additional methods for remote participation by Council Members and Commissioners. However, a quorum of membership is required to be physically present and the Council Members or Commissioners. A member must be able to establish "just cause" or have personal "emergency circumstances" that they can demonstrate the need for technological participation.

Bases for "just cause" include a caring for a close relative, having a contagious illness, or a physical/mental health disability.<sup>4</sup> A member may only use the just cause provision up to two times per year. The general description of the reason needs to be stated as soon as possible and be stated at the meeting.

"Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.<sup>5</sup> The legislative body must then consider a request made by a member to appear remotely. The request does not need to disclose a medical diagnosis or disability, and does not need to exceed 20 words. A separate request needs to be made for each meeting.

A member may only use these provisions if they can participate through both audio and video technology. They must disclose whether there are any persons 18 years or older in the room at the remote location with the member, and the nature of the relationship with that person. Finally, these provisions may not be used to participate remotely for more than 20% of the regular meetings in a year, or more than three months consecutively.

Public Remote Participation

No action is required to continue fostering increased public participation and action through remote participation by the public. The end of the local or statewide emergencies do not necessitate any change in this practice.

On April 6, 2022, City Council received a presentation from staff highlighting the community and commissioner feedback regarding remote participation. The overwhelming response received was for continued engagement and accessibility for the public to Brown Act City Council and Commission Meetings. Remote accessibility allows for greater public participation and action.

No change is recommended in the current practice of allowing remote participation at City Council, Planning Commission, and as staffing permits at other bodies.

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<sup>4</sup> Gov't. Code, § 54953, subd. (j)(2).

<sup>5</sup> Gov't. Code, § 54953, subd. (j)(1).



The City of South Pasadena has been deferring to Los Angeles County for over a year and a half on the emergency declarations. With the changes anticipated at the end of the month, and given the grace periods provided, City staff is looking to Los Angeles County to the information and resources that are now being shared on these matters and potential impacts, and is planning a robust community outreach and information effort. An interdepartmental team will help our businesses and residents to navigate to information on what the changes mean to them, and how to plan for them. Outreach efforts will include a dedicated webpage with pertinent information, social media outreach, community meetings, and more. The City has reached out to the Chamber of Commerce as well as the Tenants Union, to ensure our partners in the community are aware, and we will look to work together with them on responding to community needs and inquiries:

- Businesses will be able to shift to existing and new programming for outdoor dining options
- Businesses will be able to work with staff on commercial signage needs and compliance
- Residential tenants will be able to access information on what sunset of the declarations means to them and their responsibility to pay rent

#### **Fiscal Impact**

With the State declaration of a health emergency, local COVID-19 response efforts may be eligible for state or federal reimbursement and are being tracking by Staff. The costs of conducting teleconference meetings have been factored into the City's budget.

#### **Attachments:**

1. [DRAFT] City Council Resolution
2. Government Code Section 54953(e)
3. Government Code Section 54953(f)
4. March 4, 2020 State Proclamation of a State of Emergency
5. Resolution 7646 Proclaiming Local Emergency
6. Resolution 7732 Continuing Local Emergency

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**ATTACHMENT 1**  
**[DRAFT] City Council Resolution**

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## **RESOLUTION NO. XXXX**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, ENDING THE LOCAL EMERGENCY ORDER DECLARATIONS RELATED TO COVID-19 AND REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES EFFECTIVE MARCH 1, 2023, PURSUANT TO BROWN ACT PROVISIONS**

**WHEREAS**, the City of South Pasadena is committed to preserving and nurturing public access and participation in the meetings of its legislative bodies; and

**WHEREAS**, all meetings of the City of South Pasadena's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the City's legislative bodies conduct their business; and

**WHEREAS**, AB 361 and SB 2449 amended the Brown Act to allow cities to continue to meet remotely during proclaimed states of emergency under modified Brown Act requirements similar to those established by Governor Newsom under emergency powers; and

**WHEREAS**, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by a quorum of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS**, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

**WHEREAS**, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the City's boundaries, caused by natural, technological, or human-caused disasters; and

**WHEREAS**, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS**, on March 4, 2020, Governor Gavin Newsom declared a state of emergency to exist in California as a result of COVID; and

**WHEREAS**, on March 4, 2020, the Chair of the Los Angeles County Board of Supervisors and the Los Angeles County Health Officer declared a local emergency and a local health emergency, respectively, as a result of COVID-19; and

**WHEREAS**, on March 18, 2020, the South Pasadena City Council adopted Resolution No. 7646 declaring a local emergency, restricting private and public gatherings, and establishing protections for residential and commercial tenants, among other things; and the South Pasadena City Council renewed the declaration of local emergency on May 6, 2020 (Resolution No. 7648), June 17, 2020 (Resolution No. 7657), August 5, 2020 (Resolution No. 7669), August 19, 2020 (Resolution No. 7678), October 21, 2020 (Resolution No. 7685), December 16, 2020 (Resolution No. 7690), February 17, 2021 (Resolution No. 7703), April 7, 2021 (Resolution No. 7713), June 2, 2021 (Resolution No. 7721), July 21, 2021 (Resolution No. 7726), September 15, 2021 (Resolution No. 7732), November 3, 2021 (Resolution Nos. 7734 and 7739), December 1, 2021 (Resolution No. 7741), December 15, 2021 (Resolution No. 7743), January 12, 2022 (Resolution No. 7746), February 2, 2022 (Resolution No. 7749), March 2, 2022 (Resolution No. 7755), May 18, 2022 (Resolution No. 7764), June 15, 2022 (Resolution No. 7770); July 7, 2022 (Resolution No. 7780); July 20, 2022 (Resolution No. 7781); and September 7, 2022 (Resolution 7786); and

**WHEREAS**, Resolution 7732 established a pilot al fresco dining program, a temporary modification to commercial signage requirements, and tenant protections for residential rentals; and

**WHEREAS**, Resolution 7732 established that the pilot al fresco dining program will continue until 90 days after the termination of the declaration of local emergency; and

**WHEREAS**, Resolution 7732 established that the temporary modification to commercial signage requirements will continue until no more than 30 days after the termination of the declaration of local emergency; and

**WHEREAS**, Resolution 7732 established tenant protections for residential rentals by extending any amendment or orders issued by the County Board of Supervisors of the County of Los Angeles imposing or extending a temporary evictions moratorium also be extended to the residents of the City of South Pasadena; and

**WHEREAS**, Governor Newsom proclaimed that California's current COVID-19 state of emergency will end February 28, 2023; and

**WHEREAS**, the City of South Pasadena consistent with Government Code 8630(d) desires to sunset the Local Emergency Order established March 18, 2020 and all subsequent resolutions extended multiple times through September 7, 2022, to mirror the State of California's declaration to the end of the COVID-19 Emergency effective February 28, 2023.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1. Recitals.** The preceding Recitals are true and correct and are hereby incorporated and adopted as findings and determinations by the City Council as if fully set forth herein.

**SECTION 2. Proclamation.** The City Council does hereby find:

A. That the local state of emergency due to the outbreak of SARS-CoV-2 (COVID-19) established by Resolution No. 7646 and extended by Resolution No. 7648, Resolution No. 7657, Resolution No. 7669, Resolution No. 7678, Resolution No. 7685, Resolution No. 7690, Resolution No. 7703, Resolution No. 7713, Resolution No. 7721, Resolution No. 7726, Resolution No. 7732, Resolution Nos. 7734 and 7739, Resolution No. 7741, Resolution No. 7743, Resolution No. 7746, Resolution No. 7749, Resolution No. 7755, Resolution No. 7764, Resolution No. 7770, Resolution No. 7780, Resolution No. 7781, and Resolution 7786 shall be terminated due to the conditions related to this emergency on February 28, 2023.

B. That the City will continue to ensure public access to meetings of its legislative bodies pursuant to the relevant sections of the Government Code.

**SECTION 3. Continuation of Certain Provisions.** The al fresco dining permit pilot program shall continue until ninety (90) days after the effective date of this Resolution consistent with Section 12 of Resolution 7732. The temporary modifications to commercial signage requirements shall continue until thirty (30) days after the effective date of this Resolution consistent with Section 11 of Resolution 7732. The protections for residential rentals extended through incorporation of any amendment or orders issued by the County Board of Supervisors of the County of Los Angeles imposing or extending a temporary evictions moratorium extended to the residents of the City of South Pasadena through Section 9 of Resolution 7732 continue to be applied until termination of such protections by the County of Los Angeles; and

**SECTION 4. Remote Teleconference Meetings.** The City Manager and legislative bodies of the City of South Pasadena are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953 and other applicable provisions of the Brown Act.

**SECTION 5. Effective Date of Resolution.** This Resolution shall take effect March 1, 2023. Nothing herein prohibits the City Council from utilizing other provisions of Government Code section 54953 as written.

**PASSED, APPROVED AND ADOPTED** on this 15<sup>th</sup> day of February, 2023.

---

Jon Primuth, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

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Desiree Jimenez, CMC  
Chief City Clerk

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Andrew L. Jared, City Attorney

RESOLUTION NO.  
Page 4 of 4

**I HEREBY CERTIFY** the foregoing Resolution No. was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 15<sup>th</sup> day of February, 2023, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

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Desiree Jimenez, CMC  
Chief City Clerk



**ATTACHMENT 2**  
Government Code Section 54953(e)

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(e) (1) The legislative body of a local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(B) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(C) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(D) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(E) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) This subdivision shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

**ATTACHMENT 3**  
Government Code Section 54953(f)

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(f) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.



## **ATTACHMENT 4**

March 4, 2020 State Proclamation  
of a State Emergency

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**EXECUTIVE DEPARTMENT  
STATE OF CALIFORNIA**

**PROCLAMATION OF A STATE OF EMERGENCY**

**WHEREAS** in December 2019, an outbreak of respiratory illness due to a novel coronavirus (a disease now known as COVID-19), was first identified in Wuhan City, Hubei Province, China, and has spread outside of China, impacting more than 75 countries, including the United States; and

**WHEREAS** the State of California has been working in close collaboration with the national Centers for Disease Control and Prevention (CDC), with the United States Health and Human Services Agency, and with local health departments since December 2019 to monitor and plan for the potential spread of COVID-19 to the United States; and

**WHEREAS** on January 23, 2020, the CDC activated its Emergency Response System to provide ongoing support for the response to COVID-19 across the country; and

**WHEREAS** on January 24, 2020, the California Department of Public Health activated its Medical and Health Coordination Center and on March 2, 2020, the Office of Emergency Services activated the State Operations Center to support and guide state and local actions to preserve public health; and

**WHEREAS** the California Department of Public Health has been in regular communication with hospitals, clinics and other health providers and has provided guidance to health facilities and providers regarding COVID-19; and

**WHEREAS** as of March 4, 2020, across the globe, there are more than 94,000 confirmed cases of COVID-19, tragically resulting in more than 3,000 deaths worldwide; and

**WHEREAS** as of March 4, 2020, there are 129 confirmed cases of COVID-19 in the United States, including 53 in California, and more than 9,400 Californians across 49 counties are in home monitoring based on possible travel-based exposure to the virus, and officials expect the number of cases in California, the United States, and worldwide to increase; and

**WHEREAS** for more than a decade California has had a robust pandemic influenza plan, supported local governments in the development of local plans, and required that state and local plans be regularly updated and exercised; and

**WHEREAS** California has a strong federal, state and local public health and health care delivery system that has effectively responded to prior events including the H1N1 influenza virus in 2009, and most recently Ebola; and

**WHEREAS** experts anticipate that while a high percentage of individuals affected by COVID-19 will experience mild flu-like symptoms, some will have more serious symptoms and require hospitalization, particularly individuals who are elderly or already have underlying chronic health conditions; and

**WHEREAS** it is imperative to prepare for and respond to suspected or confirmed COVID-19 cases in California, to implement measures to mitigate the spread of COVID-19, and to prepare to respond to an increasing number of individuals requiring medical care and hospitalization; and

**WHEREAS** if COVID-19 spreads in California at a rate comparable to the rate of spread in other countries, the number of persons requiring medical care may exceed locally available resources, and controlling outbreaks minimizes the risk to the public, maintains the health and safety of the people of California, and limits the spread of infection in our communities and within the healthcare delivery system; and

**WHEREAS** personal protective equipment (PPE) is not necessary for use by the general population but appropriate PPE is one of the most effective ways to preserve and protect California's healthcare workforce at this critical time and to prevent the spread of COVID-19 broadly; and

**WHEREAS** state and local health departments must use all available preventative measures to combat the spread of COVID-19, which will require access to services, personnel, equipment, facilities, and other resources, potentially including resources beyond those currently available, to prepare for and respond to any potential cases and the spread of the virus; and

**WHEREAS** I find that conditions of Government Code section 8558(b), relating to the declaration of a State of Emergency, have been met; and

**WHEREAS** I find that the conditions caused by COVID-19 are likely to require the combined forces of a mutual aid region or regions to appropriately respond; and

**WHEREAS** under the provisions of Government Code section 8625(c), I find that local authority is inadequate to cope with the threat posed by COVID-19; and

**WHEREAS** under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19.

**NOW, THEREFORE, I, GAVIN NEWSOM**, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code section 8625, **HEREBY PROCLAIM A STATE OF EMERGENCY** to exist in California.

**IT IS HEREBY ORDERED THAT:**

1. In preparing for and responding to COVID-19, all agencies of the state government use and employ state personnel, equipment, and facilities or perform any and all activities consistent with the direction of the Office of Emergency Services and the State Emergency Plan, as well as the California Department of Public Health and the Emergency Medical Services Authority. Also, all residents are to heed the advice of emergency officials with regard to this emergency in order to protect their safety.
2. As necessary to assist local governments and for the protection of public health, state agencies shall enter into contracts to arrange for the procurement of materials, goods, and services needed to assist in preparing for, containing, responding to, mitigating the effects of, and recovering from the spread of COVID-19. Applicable provisions of the Government Code and the Public Contract Code, including but not limited to travel, advertising, and competitive bidding requirements, are suspended to the extent necessary to address the effects of COVID-19.
3. Any out-of-state personnel, including, but not limited to, medical personnel, entering California to assist in preparing for, responding to, mitigating the effects of, and recovering from COVID-19 shall be permitted to provide services in the same manner as prescribed in Government Code section 179.5, with respect to licensing and certification. Permission for any such individual rendering service is subject to the approval of the Director of the Emergency Medical Services Authority for medical personnel and the Director of the Office of Emergency Services for non-medical personnel and shall be in effect for a period of time not to exceed the duration of this emergency.
4. The time limitation set forth in Penal Code section 396, subdivision (b), prohibiting price gouging in time of emergency is hereby waived as it relates to emergency supplies and medical supplies. These price gouging protections shall be in effect through September 4, 2020.
5. Any state-owned properties that the Office of Emergency Services determines are suitable for use to assist in preparing for, responding to, mitigating the effects of, or recovering from COVID-19 shall be made available to the Office of Emergency Services for this purpose, notwithstanding any state or local law that would restrict, delay, or otherwise inhibit such use.
6. Any fairgrounds that the Office of Emergency Services determines are suitable to assist in preparing for, responding to, mitigating the effects of, or recovering from COVID-19 shall be made available to the Office of Emergency Services pursuant to the Emergency Services Act, Government Code section 8589. The Office of Emergency Services shall notify the fairgrounds of the intended use and can immediately use the fairgrounds without the fairground board of directors' approval, and



notwithstanding any state or local law that would restrict, delay, or otherwise inhibit such use.

7. The 30-day time period in Health and Safety Code section 101080, within which a local governing authority must renew a local health emergency, is hereby waived for the duration of this statewide emergency. Any such local health emergency will remain in effect until each local governing authority terminates its respective local health emergency.
8. The 60-day time period in Government Code section 8630, within which local government authorities must renew a local emergency, is hereby waived for the duration of this statewide emergency. Any local emergency proclaimed will remain in effect until each local governing authority terminates its respective local emergency.
9. The Office of Emergency Services shall provide assistance to local governments that have demonstrated extraordinary or disproportionate impacts from COVID-19, if appropriate and necessary, under the authority of the California Disaster Assistance Act, Government Code section 8680 et seq., and California Code of Regulations, Title 19, section 2900 et seq.
10. To ensure hospitals and other health facilities are able to adequately treat patients legally isolated as a result of COVID-19, the Director of the California Department of Public Health may waive any of the licensing requirements of Chapter 2 of Division 2 of the Health and Safety Code and accompanying regulations with respect to any hospital or health facility identified in Health and Safety Code section 1250. Any waiver shall include alternative measures that, under the circumstances, will allow the facilities to treat legally isolated patients while protecting public health and safety. Any facilities being granted a waiver shall be established and operated in accordance with the facility's required disaster and mass casualty plan. Any waivers granted pursuant to this paragraph shall be posted on the Department's website.
11. To support consistent practices across California, state departments, in coordination with the Office of Emergency Services, shall provide updated and specific guidance relating to preventing and mitigating COVID-19 to schools, employers, employees, first responders and community care facilities by no later than March 10, 2020.
12. To promptly respond for the protection of public health, state entities are, notwithstanding any other state or local law, authorized to share relevant medical information, limited to the patient's underlying health conditions, age, current condition, date of exposure, and possible contact tracing, as necessary to address the effect of the COVID-19 outbreak with state, local, federal, and nongovernmental partners, with such information to be used for the limited purposes of monitoring, investigation and control, and treatment and coordination of care. The

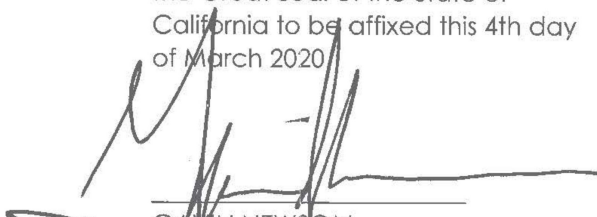
notification requirement of Civil Code section 1798.24, subdivision (i), is suspended.

13. Notwithstanding Health and Safety Code sections 1797.52 and 1797.218, during the course of this emergency, any EMT-P licensees shall have the authority to transport patients to medical facilities other than acute care hospitals when approved by the California EMS Authority. In order to carry out this order, to the extent that the provisions of Health and Safety Code sections 1797.52 and 1797.218 may prohibit EMT-P licensees from transporting patients to facilities other than acute care hospitals, those statutes are hereby suspended until the termination of this State of Emergency.

14. The Department of Social Services may, to the extent the Department deems necessary to respond to the threat of COVID-19, waive any provisions of the Health and Safety Code or Welfare and Institutions Code, and accompanying regulations, interim licensing standards, or other written policies or procedures with respect to the use, licensing, or approval of facilities or homes within the Department's jurisdiction set forth in the California Community Care Facilities Act (Health and Safety Code section 1500 et seq.), the California Child Day Care Facilities Act (Health and Safety Code section 1596.70 et seq.), and the California Residential Care Facilities for the Elderly Act (Health and Safety Code section 1569 et seq.). Any waivers granted pursuant to this paragraph shall be posted on the Department's website.

**I FURTHER DIRECT** that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this proclamation.

**IN WITNESS WHEREOF** I have  
hereunto set my hand and caused  
the Great Seal of the State of  
California to be affixed this 4th day  
of March 2020.

  
\_\_\_\_\_  
GAVIN NEWSOM  
Governor of California

**ATTEST:**

\_\_\_\_\_  
ALEX PADILLA  
Secretary of State

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**ATTACHMENT 5**  
Resolution 7646 Proclaiming Local Emergency

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**RESOLUTION NO. 7764**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,  
AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF  
THE LEGISLATIVE BODIES OF THE CITY OF SOUTH PASADENA  
FOR THE PERIOD OF MAY 18, 2022 THROUGH JUNE 17 2022,  
PURSUANT TO BROWN ACT PROVISIONS**

**WHEREAS**, the City of South Pasadena is committed to preserving and nurturing public access and participation in the meetings of its legislative bodies; and

**WHEREAS**, all meetings of the City of South Pasadena's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the City's legislative bodies conduct their business; and

**WHEREAS**, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS**, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

**WHEREAS**, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the City's boundaries, caused by natural, technological, or human-caused disasters; and

**WHEREAS**, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS**, on March 4, 2020, Governor Gavin Newsom declared a state of emergency to exist in California as a result of COVID; and

**WHEREAS**, on March 4, 2020, the Chair of the Los Angeles County Board of Supervisors and the Los Angeles County Health Officer declared a local emergency and a local health emergency, respectively, as a result of COVID-19; and

**WHEREAS**, on March 18, 2020, the South Pasadena City Council adopted Resolution No. 7646 declaring a local emergency, restricting private and public gatherings, and establishing protections for residential and commercial tenants, among other things; and the South Pasadena City Council renewed the declaration of local emergency on May 6, 2020 (Resolution No. 7648), June 17, 2020 (Resolution No. 7657), August 5, 2020



(Resolution No. 7669), August 19, 2020 (Resolution No. 7678), October 21, 2020 (Resolution No. 7685), December 16, 2020 (Resolution No. 7690), February 17, 2021 (Resolution No. 7703), April 7, 2021 (Resolution No. 7713), June 2, 2021 (Resolution No. 7721), July 21, 2021 (Resolution No. 7726), September 15, 2021 (Resolution No. 7732), November 3, 2021 (Resolution Nos. 7734 and 7739), December 1, 2021 (Resolution No. 7741), December 15, 2021 (Resolution No. 7743), January 12, 2022 (Resolution No. 7746), February 2, 2022 (Resolution No. 7749), and March 2, 2022 (Resolution No. 7755); and

**WHEREAS**, on September 16, 2021, Governor Newsom signed AB 361, which allows cities to continue to meet remotely during proclaimed states of emergency under modified Brown Act requirements that are similar but not identical to the rules and procedures established by the Brown Act Orders; and

**WHEREAS**, the County of Los Angeles is currently experiencing increases in COVID-19 cases and test positivity rates, and related hospitalizations are no longer in decline. The percentage of cases caused by the more easily transmitted BA.2 subvariant, which can cause mild or asymptomatic illness in vaccinated people if they get infected, has raised concern.

**WHEREAS**, on April 22, 2022, the Los Angeles County Public Health Officer issued an updated order, Responding Together At Work and In the Community, Post Winter Surge Community Monitoring and Continued Response Measures, to require masks in all public transit within the County.

**WHEREAS**, the City previously adopted Resolution No. 7755 finding that the requisite conditions exist for the City of South Pasadena to conduct teleconference meetings under California Government Code section 54953(e); and

**WHEREAS**, Government Code section 54953(e)(3) requires the legislative body adopt certain findings by majority vote within 30 days of holding a meeting by teleconference under Government Code section 54953(e), and then adopt such findings every 30 days thereafter; and

**WHEREAS**, the City will continue to ensure public access to meetings of its legislative bodies pursuant to the relevant sections of the Government Code as it has done throughout the Governor's declaration of a State of Emergency.

**WHEREAS**, the City of South Pasadena desires to continue to have the ability to hold its public meetings by teleconference consistent with Government Code section 54953(e).

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1. Recitals.** The preceding Recitals are true and correct and are hereby incorporated and adopted as findings and determinations by the City Council as if fully set forth herein.



**SECTION 2. Proclamation.** The City Council does hereby find:

A. That a state of emergency continues to exist within our community, and that the Los Angeles County Department of Public Health continues to recommend measures to promote social distancing;


B. That as a consequence of the State and local emergencies and the physical distancing requirements recommended by the State and local public health officers, the City Council does hereby find that the legislative bodies of the City of South Pasadena may conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

C. That the City will continue to ensure public access to meetings of its legislative bodies pursuant to the relevant sections of the Government Code as it has done throughout the Governor's declaration of a State of Emergency.

**SECTION 3. Remote Teleconference Meetings.** The City Manager and legislative bodies of the City of South Pasadena are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act. Furthermore, City Manager and staff are directed to return to the City Council no later than thirty (30) days after the adoption of this resolution for the City Council to consider whether to again make the findings required to meet under the modified teleconference procedures of AB 361.

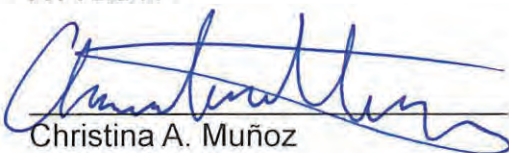
**SECTION 4. Effective Date of Resolution.** This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of June 17, 2022, or such time the City Council adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the City of South Pasadena may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

**PASSED, APPROVED AND ADOPTED** on this 18<sup>th</sup> day of May, 2022.



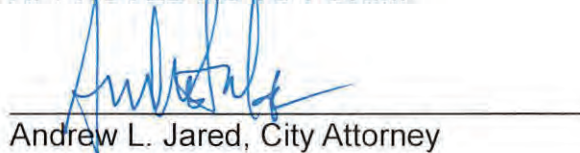
Michael A. Cacciotti, Mayor

**ATTEST:**



Christina A. Muñoz  
Deputy City Clerk

**APPROVED AS TO FORM:**



Andrew L. Jared, City Attorney

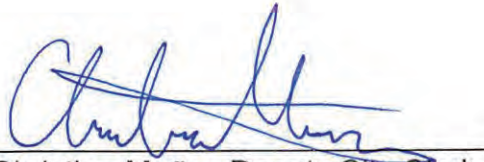
**I HEREBY CERTIFY** the foregoing Resolution No. 7764 was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 18<sup>th</sup> day of May, 2022, by the following vote:

**AYES:** Donovan, Zneimer, Primuth, Mayor Cacciotti

**NOES:** None.

**ABSENT:** Mahmud

**ABSTAINED:** None.

  
Christina Muñoz Deputy City Clerk

**ATTACHMENT 6**  
Resolution 7732 Continuing Local Emergency

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**RESOLUTION NO. 7732**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF SOUTH PASADENA, CALIFORNIA,  
CONTINUING ITS PROCLAMATION OF A LOCAL EMERGENCY  
DUE TO THE OUTBREAK OF COVID-19 AND AUTHORIZING THE  
CITY MANAGER TO CONTINUE TO TAKE ALL NECESSARY  
ACTIONS AS THE DIRECTOR OF EMERGENCY SERVICES**

**WHEREAS**, in December 2019, a novel severe acute respiratory syndrome coronavirus 2, known as SARS-CoV-2, which has also been referred to as COVID-19, was first detected in Wuhan, Hubei Province, People's Republic of China, causing outbreaks of the coronavirus disease COVID-19 that has now spread globally; and

**WHEREAS**, on January 31, 2020, the United States Secretary of Health and Human Services declared a public health emergency in response to COVID-19; and

**WHEREAS**, on March 4, 2020, Governor Gavin Newsom declared a state of emergency to exist in California as a result of COVID-19; and

**WHEREAS**, on March 4, 2020, the Chair of the Los Angeles County Board of Supervisors and the Los Angeles County Health Officer declared a local emergency and a local health emergency, respectively, as a result of COVID-19; and

**WHEREAS**, on March 12, 2020, Governor Gavin Newsom signed Executive Order N-25-20 giving state and local public health officials the authority to issue guidance limiting or recommending limitations upon attendance at public assemblies, conferences or other mass events; and

**WHEREAS**, on March 13, 2020, President Donald Trump declared a national emergency as a result of COVID-19; and

**WHEREAS**, on March 18, 2020, the South Pasadena City Council adopted Resolution No. 7646 declaring a local emergency, restricting private and public gatherings, and establishing protections for residential and commercial tenants, among other things; and

**WHEREAS**, on March 19, 2020, the State Public Health Officer issued the "Stay at Home" order; and

**WHEREAS**, on March 21, 2020, the Los Angeles County Health Officer issued the "Safer at Home" order; and

**WHEREAS**, on April 28, 2020, Governor Gavin Newsom announced a 4-stage transition plan, titled “California’s Pandemic Resilience Roadmap,” to end the Stay at Home order; and

**WHEREAS**, on May 6, 2020, the South Pasadena City Council adopted Resolution No. 7648 proclaiming the continuation of a local emergency and, among other things, suspended water and sewer utility terminations and the City’s Parking Pass Program; and

**WHEREAS**, on May 7, 2020, the State Public Health Officer amended the Stay at Home order to allow for the reopening of lower-risk workplaces; and

**WHEREAS**, on May 29, 2020, the Los Angeles County Health Officer amended the Safer at Home order with a new order titled “Reopening Safer at Work and in the Community for Control of COVID-19,” which seeks to limit residents’ exposure during Los Angeles County’s transition through Stage 2 of California’s Pandemic Resilience Roadmap; and

**WHEREAS**, Section 6 of the Los Angeles County Health Officer’s May 29, 2020 order states, “This Order does not supersede any stricter limitation imposed by a local public entity within the County of Los Angeles Public Health Jurisdiction;” and

**WHEREAS**, on June 17, 2020, the South Pasadena City Council adopted Resolution No. 7657, proclaiming the continuation of a local emergency and clarifying that any local regulations on public gatherings or private facilities as permissive as the Los Angeles County Health Officer’s May 29, 2020 order and any subsequent Los Angeles County Health Officer orders; resuming the City’s Parking Pass Program, and creating the Al Fresco Dining and Retail Program; and

**WHEREAS**, on July 18, 2020, the Los Angeles County Public Health Officer issued a revised Order regarding Reopening Safer at Work and specifying what businesses and services can be open either for inside shopping or outdoor pick-up only, what businesses can be open only by outside service, and what businesses and services are closed; and

**WHEREAS**, on August 5, 2020, the South Pasadena City Council adopted Resolution No. 7669, proclaiming the continuation of a local emergency and clarifying that any local regulations on public gatherings or private facilities as permissive as the Los Angeles County Health Officer’s July 18, 2020 order and any subsequent Los Angeles County Health Officer orders; resuming the City’s Parking Pass Program, and expanding the Al Fresco Dining and Retail Program.

**WHEREAS**, on August 12, 2020, the Los Angeles County Public Health Officer issued a revised Order, regarding Reopening Safer and Work.

**WHEREAS**, Section 6 of the Los Angeles County Health Officer’s August 12, 2020 order states, “This Order does not supersede any stricter limitation imposed by a local public entity within the County of Los Angeles Public Health Jurisdiction.”



**WHEREAS**, on June 30, 2020, Governor Newsom issued Executive Order N-71- 20, which, among other things, found that minimizing evictions during this period is critical to reducing the spread of COVID-19 in vulnerable populations by allowing those most vulnerable to COVID-19 to self-quarantine, self-isolate, or otherwise remain in their homes to reduce the transmission of COVID-19, and extended through September 30, 2020 Executive Order N-28-20's suspension of any and all provisions of state law that would preempt or otherwise restrict a local government's exercise of its police powers to impose substantive limitations on residential and commercial evictions with respect to COVID19-related rent payment issues; and

**WHEREAS**, on August 31, 2020, California passed legislation, Assembly Bill 3088, the COVID-19 Tenant Relief Act of 2020, under which, among other things, no tenant can be evicted before February 1, 2021 as a result of rent owed due to a COVID-19 related hardship accrued between March 4 and August 31, 2020, if the tenant provides a declaration of COVID-19-related financial distress according to specified timelines; no tenant can be evicted for rent that accrues but is unpaid due to a COVID-19 hardship between September 1, 2020 and January 31, 2021 if the tenant submits declarations of COVID-19-related financial distress according to specified timelines and pays 25% of the unpaid rent due by January 31, 2020; and landlords are required to provide tenants a notice detailing their rights under the legislation; and

**WHEREAS**, on September 4, 2020, the United States Center for Disease Control and Prevention, recognizing that "in the context of a pandemic, eviction moratoria – like quarantine, isolation, and social distancing – can be an effective public health measure utilized to prevent the spread of communicable disease," that eviction moratoria "facilitate self-isolation by people who become ill or who are at risk for severe illness from COVID-19 due to an underlying medical condition" and "allow State and local authorities to more easily implement stay-at-home and social distancing directives to mitigate the community spread of COVID-19," and that "housing stability helps protect public health because homelessness increases the likelihood of individuals moving into congregate settings, such as homeless shelters, which then puts individuals at higher risk to COVID-19" (Federal Register, Vol. 85, No. 173 at page 55292), issued an order, applicable in any State or local area without a moratorium on residential evictions that provides the same or greater level of public-health protections as the requirements in the order, requiring that, through December 31, 2020, subject to further extension, modification, or rescission, a landlord, owner of a residential property, or other person with a legal right to pursue eviction or possessory action shall not evict any covered person (as defined in the order) from any residential property in any State in which there are documented cases of COVID-19; and

**WHEREAS**, on September 23, 2020, Governor Newsom signed Executive Order N-80-20, extending through March 31, 2021 Executive Order N-28-20, allowing local governments to impose commercial eviction moratoriums and restrictions for commercial tenants who are unable to pay their rent because of COVID-19; and

**WHEREAS**, on November 10, 2020, the Los Angeles County Board of Supervisors updated the County's Evictions Moratorium in light of AB 3088 and Federal Eviction



Moratorium and extended non-preempted tenant protections through January 31, 2021. The amended and restated Executive Order incorporates all aspects, restrictions, and requirements of the Moratorium adopted by the Board, as ratified and amended on March 31, 2020, April 14, 2020, May 12, 2020, June 23, 2020, July 21, 2020, September 1, 2020, October 13, 2020, and November 10, 2020; and

**WHEREAS**, on November 19, 2020, the State Public Health Officer issued a Limited Stay at Home Order effective in counties under Tier One (Purple) of California's Blueprint for a Safer Economy, requiring that all gatherings with members of other households and all activities conducted outside the residence, lodging, or temporary accommodation with members of other households cease between 10:00pm PST and 5:00am PST, except for those activities associated with the operation, maintenance, or usage of critical infrastructure or required by law; and

**WHEREAS**, on November 25, 2020, the Los Angeles County Public Health Officer issued a revised Order aligning Los Angeles County with the State Public Health Officer's Limited Stay at Home Order ordering the closure of restaurants for indoor and outdoor dining; and

**WHEREAS**, on December 3, 2020, the State Public Health Officer issued the Regional Stay at Home Order applying to state regions with less than 15% ICU availability, and prohibiting private gatherings of any size, closes sector operations except for critical infrastructure and retail, and requiring masking and physical distancing in all others; and

**WHEREAS**, on December 6, 2020, the State Public Health Officer issued a Supplemental Order to the Regional Stay at Home Order, ordering the Southern California region, including Los Angeles County, be placed under the December 3, 2020 Regional Stay at Home Order; and

**WHEREAS**, on December 9, 2020, the Los Angeles County Public Health Officer issued a revised Order ordering that outdoor playgrounds may remain open to facilitate physically distanced personal health and wellness through outdoor exercise if they follow County health protocols; and

**WHEREAS**, on January 25, 2021, the State Public Health Officer ended the Supplemental Order to the Regional Stay at Home Order and returned counties to the tiers assigned in the Blueprint for a Safer Economy;

**WHEREAS**, on February 1, 2021, Senate Bill 91 went into effect, extending tenant protections established by Assembly Bill 3088, and establishing the State Rental Assistance Program to provide rental assistance for landlords and tenants; and

**WHEREAS**, on February 23, 2021, the Los Angeles County Board of Supervisors extended the County eviction moratorium and its tenant protections, where not preempted by the extension of AB 3088 pursuant to SB 91, through June 30, 2021.

**WHEREAS**, Governor Gavin Newsom announced on April 6, 2021 that he anticipates that on June 15, 2021, everyday activities will be allowed again in the State of California, including allowing most businesses to re-open with common-sense risk reduction measures including maintaining an order for mask wearing, and that large-scale indoor events, will be allowed to occur with testing or vaccination verification requirements.

**WHEREAS**, on May 21, 2021, the California Department of Public Health published the Beyond the Blueprint Framework for Industry and Business Sectors ahead of the state's anticipated June 15 retirement of the Blueprint for a Safer Economy. Under the Beyond the Blueprint framework, all sectors listed in the current Blueprint Activities and Business Tiers Chart may return to normal operations with no capacity limitations or physical distancing.

**WHEREAS**, on June 28, 2021, the Los Angeles County Public Health Officer issued a revised public health order rescinding most Los Angeles County Department of Public Health sector-specific protocols and aligning the county with the State Beyond the Blueprint for Industry and Business Sectors and all current and subsequent orders of the State Public Health Officer; and

**WHEREAS**, on July 16, 2021, as community transmission of COVID-19 is rapidly increased from low to substantial transmission in one month, the Los Angeles County Public Health Officer issued a revised public health order requiring face masks to be worn by all persons, regardless of vaccination status; and

**WHEREAS**, on August 23, 2021, the Los Angeles County Public Health Officer issued a revised order (Attachment A), Responding Together At Work and In the Community, encouraging vaccination masking by all, regardless of vaccination status, in an effort to slow the increasing trends in and level of transmission of COVID-19 currently being seen in Los Angeles County.

**WHEREAS**, the Los Angeles County Department of Public Health continues to track variant cases in Los Angeles County and has identified the highly transmissible Delta variant as the most dominant circulating variant in the County.

**WHEREAS**, COVID-19 and variants of the disease remain a threat, and continued efforts to control the spread of the virus to reduce and minimize the risk of infection are needed; and

**WHEREAS**, these conditions warrant and necessitate that the City continue its proclamation of the existence of a local emergency; and

**WHEREAS**, Chapter 11 of the South Pasadena Municipal Code empowers the City Council to proclaim the existence or threatened existence of a local emergency and to issue rules and regulations on matters reasonably related to the protection of life and property as affected by such emergency; and



**WHEREAS**, Government Code section 8634 states, “During a local emergency the governing body of a political subdivision, or officials designated thereby, may promulgate orders and regulations necessary to provide for the protection of life and property, including orders or regulations imposing a curfew within designated boundaries where necessary to preserve the public order and safety. Such orders and regulations and amendments and rescissions thereof shall be in writing and shall be given widespread publicity and notice”; and

**WHEREAS**, Government Code section 8630 (c) states, “The governing body shall review the need for continuing the local emergency at least once every 60 days until the government body terminates the local emergency.”

**WHEREAS**, the City will abide by and enforce the Executive Orders and the State Public Health Officer guidance, as they may be amended from time to time, that govern, including without limitation, the following (1) when, and under what circumstances and restrictions, government and industry sectors may reopen, (2) when, and under what circumstances and restrictions, the public may engage in specified categories of activities (e.g., indoor and outdoor recreational activities), (3) when, and under what circumstances and restrictions, members of the public must wear face covering, and (4) all subsequently-issued guidance and Executive Orders, Public Health Officer Orders, and/or orders of other duly authorized representatives of the State of California governing the opening, partial opening, or closure of businesses, venues, events, and activities in the City of South Pasadena.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1. Recitals.** The preceding Recitals are true and correct and are hereby incorporated and adopted as findings and determinations by the City Council as if fully set forth herein.

**SECTION 2. Proclamation.** Pursuant to Government Code section 8630, subdivision (a), the City Council proclaims the continuation of a local emergency due to the outbreak of SARS-CoV-2 (COVID-19).

**SECTION 3. Regulation of Public Gatherings.** Any local regulations on public gatherings are ordered to be as permissive as allowed under State Public Health Officer or Los Angeles County Health Officer orders.

**SECTION 4. Regulation of Public Facilities.** Public facilities are reopened to the public subject to current County protocols and social distancing safety measures. Several City facilities have resumed in-person services to the public. The Senior Center is now open.

**SECTION 5. Regulation of Private Facilities.** Any local regulations on private facilities are ordered to be as permissive as allowed under State Public Health Officer or Los Angeles County Health Officer orders.

**SECTION 6. Enforcement.** Any violation of the above prohibitions may be punishable by a fine not to exceed \$1,000 or imprisonment not to exceed six months, pursuant to the South Pasadena Municipal Code section 11.11.

**SECTION 7. Exemption of Delivery Vehicles.** This section has been rescinded.

**SECTION 8. Guidance for Religious Gatherings.** The leaders of the City's houses of worship are urged, in the strongest possible terms, to comply with the current and any subsequent State Public Health Officer or Los Angeles County Health Officer orders.

**SECTION 9. Protection of Affected Tenants.** The provisions of AB 832: the COVID-19 tenant relief legislation (Attachment E), signed into law on June 28, 2021, shall apply to all residential tenants within the City. The Los Angeles County Board of Supervisor's resolution (Attachment B) amending and restating a temporary moratorium on evictions for non-payment of rent by certain commercial tenants adversely financially impacted by COVID-19 through September 30, 2021 shall control and apply to all residential and commercial tenants in the City, where not preempted by AB 832, as are protected by the County's resolution. Any further amendments or orders issued by the County Board imposing or extending a temporary evictions moratorium shall also control as they may become effective and per their terms and conditions.

**SECTION 10. Suspension of Utility Terminations.** Beginning with the September 20, 2021 utility billing cycle, the City hereby reinstates late payment penalties or fees for delinquent water and/or sewer bills.

**SECTION 11. Temporary Modifications to Commercial Signage Requirements.** No more than two temporary signs shall be allowed per business. All temporary signs must still comply with the size and location requirements set forth in SPMC Section 36.320.080. Temporary window signs shall be limited to 20 percent of the window area.

No more than one temporary sign shall be located in the public right-of-way. During the Local Emergency Declaration, an application to place a temporary sign in the public right of way shall only require administrative approval by the Planning Director; an encroachment permit is still required to be issued by the Public Works Director, but the encroachment permit fee is waived.

Temporary signs shall be in place for no more than 30 days or until the Local Emergency Declaration has been lifted, whichever is later. Temporary signs may include a banner, in compliance with the size and locations of SPMC Section 36.320.080(B). During this Local Emergency Declaration, the \$50 application fees for a banner sign is waived.



**SECTION 12. Al Fresco Dining and Retail Program.** To support local businesses during the Coronavirus pandemic, an Al Fresco Dining and Retail Pilot Program, as set forth in Attachment C, is approved to temporarily relax Temporary Use Permit (TUP), Encroachment Permit, and parking requirements in order to facilitate the use of outdoor spaces for dining and retail purposes while maintaining the necessary social distancing protocols. This temporary program is valid for 90 days after the termination of the Declaration of Local Emergency. In order to facilitate outdoor dining, the City's Outdoor Dining Permit Fee is waived for the duration of the Al Fresco Dining and Retail Program. Additionally, the City Manager or her designee has the discretion to relocate ADA parking spaces to other public right-of-way space or public facilities in order to facilitate the potential use of street frontage for outdoor dining spaces for applicants to the Al Fresco Dining and Retail Program. Outdoor dining is currently permitted in the City, subject to compliance with all current County Department of Public Health orders.

**SECTION 13. Capping Fees on Third-Party Delivery Services for Restaurants and Food Establishments.** The August 4, 2020 Los Angeles County Ordinance (Attachment D) establishing a twenty percent cap on total fees including a fifteen percent cap on delivery fees that a food delivery platform may charge to restaurants, prohibiting reduction of delivery driver compensation as a result, and requiring disclosures to be made by the food delivery platform to customers, in response to the COVID-19 health emergency is adopted by reference and incorporated into this Resolution.

**SECTION 14. Emergency Authority.** Pursuant to Government Code section 8634, the City Council reaffirms its authorization of the Director of Emergency Services to take any measures necessary to protect and preserve public health and safety, including activation of the Emergency Operations Center.

**SECTION 15. Public Health Officials.** The City Council reaffirms its authorization of the Director of Emergency Services to implement any guidance, recommendations, or requirements imposed by the State Department of Public Health or the Los Angeles County Health Officer.

**SECTION 16. Termination.** Pursuant to Government Code section 8630, subdivision (d), the City Council will proclaim the termination of the emergency at the earliest possible date that conditions warrant.

**SECTION 17. Review.** Pursuant to Government Code section 8630, subdivision (c), the City Council will review the need for continuing the local emergency in no event later than 60 days from the previous declaration or review, until the City Council terminates the local emergency.

**SECTION 18. Cost Accounting.** City staff will continue to account for their time and expenses related to addressing the local emergency caused by COVID-19.



**SECTION 19. Cost Recovery.** The City will seek recovery for the cost of responding to COVID-19, as this proclamation was originally made within 10 days of the Governor's Executive Order N-25-20 and the President's declaration of a national emergency, qualifying the City for assistance under the California Disaster Assistance Act and for reimbursement from the Federal Emergency Management Agency.

**SECTION 20. Supersedes.** This Resolution restates and supersedes the declaration of emergency set forth in Resolution No. 7726.


**SECTION 21. Submissions.** The City Clerk will transmit a copy of this Resolution at the earliest opportunity to the Los Angeles County Operational Area and the California Governor's Office of Emergency Services.

**SECTION 22. Certification.** The City Clerk will certify to the passage and adoption of this Resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

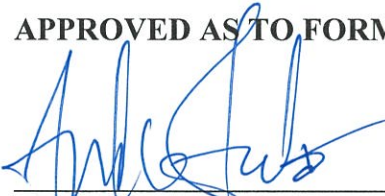
**PASSED, APPROVED AND ADOPTED** on this 15<sup>th</sup> day of September 2021.

  
Diana Mahmud, Mayor

**ATTEST:**

  
Christina Muñoz  
Acting Deputy City Clerk

**APPROVED AS TO FORM:**

  
Andrew L. Jared, City Attorney

**CITY OF SOUTH PASADENA  
CITY CLERK'S DIVISION**

**CERTIFICATION OF RESOLUTION**

**STATE OF CALIFORNIA)  
COUNTY OF LOS ANGELES)      SS  
CITY OF SOUTH PASADENA)**

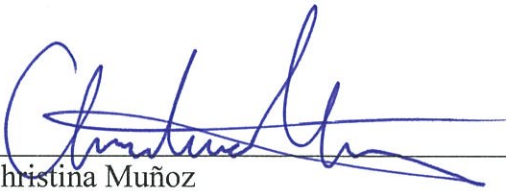
I, Christina Muñoz, Acting Deputy City Clerk of the City of South Pasadena, do hereby certify that Resolution No. 7732, was duly and regularly approved and adopted at a Regular meeting of the City Council on this 15<sup>th</sup> day of September 2021, by the following votes as the same appears on file and of record in the Office of the City Clerk.

**AYES:**            Donovan, Primuth, Zneimer, and Mayor Pro Tem Cacciotti

**NOES:**            NONE

**ABSENT:**        Mayor Mahmud

**ABSTAIN:**        NONE

  
\_\_\_\_\_  
Christina Muñoz  
Acting Deputy City Clerk

## **Attachment A**

**RESPONDING TOGETHER AT WORK AND IN THE COMMUNITY  
BEYOND THE BLUEPRINT FOR A SAFER ECONOMY, HIGH TRANSMISSION —  
ENCOURAGING COVID-19 VACCINATION COVERAGE  
WITH MODERATE RISK REDUCTION MEASURES**

**Issue Date: Monday, August 23, 2021**  
**Effective as of 11:59pm on Monday, August 23, 2021**

**Brief Highlights** (Changes highlighted in yellow):

- Aligns with the State Public Health Officer's August 18, 2021 Order [Beyond the Blueprint for Industry and Business Sectors](#) regarding Indoor Mega Events.
  - Beginning September 20, 2021, all attendees at Indoor Mega Events involving 1,000 or more persons must, prior to entry, show verification of COVID-19 vaccination status or a negative COVID-19 (diagnostic) test result. This is a lower attendance threshold than the previous requirement of 5,000 participants.
  - Clarifies that for all Indoor Mega Events scheduled on or after September 20, 2021, self-attestation is no longer permitted method for vaccine verification or verification of negative COVID-19 test.
- Requires specific infection control protocols for Youth Sports effective September 1, 2021, attached to this Order as Appendix S.

**Please read this Order carefully.**

**SUMMARY OF THE ORDER:** Since June 15, 2021 and after the retiring of the State's Blueprint for a Safer Economy, community transmission of COVID-19 in Los Angeles County has rapidly increased from Low to High. Based on rapidly increasing daily new cases of COVID-19 to a level that indicates High community transmission of the COVID-19 virus, based on the federal Centers for Disease Control and Prevention (CDC) indicators, this Order continues to require masking by all, regardless of vaccination status, in an effort to slow the increasing trends in and level of transmission of COVID-19 currently being seen in Los Angeles County. In looking at other options, universal indoor masking is the least disruptive and most effective measure to take while increasing vaccination rates; this is an important safety directive that can be implemented without impacting normal business capacity and operations.

This Order mainly aligns with the State Public Health Officer Order of June 11, 2021 and continues to place certain safety requirements on individuals consistent with federal and state rules. Further, this Order incorporates by reference the July 26, 2021 Order of the State Public Health Officer, which requires specific transmission prevention measures to be taken by Acute Health Care and Long-Term Care settings, High-Risk Congregate settings, and Other Health Care settings. In addition, this Order continues to require that all persons wear face masks while in indoor public settings and businesses, with limited exceptions, as a precautionary measure with this High level of community transmission. On July 28, 2021, the CDC, and the California Department of Public Health each issued new guidance validating the universal indoor masking requirements of this Order. The CDC's Interim Public Health Recommendations for Fully Vaccinated People advises that "preliminary evidence suggests that fully vaccinated people who do become infected with the Delta variant can spread the virus to others" and therefore

recommends that fully vaccinated people should wear a mask in indoor settings if they are in a [geographic] area where there is Substantial or High rates of COVID-19 community transmission. Moreover, the State Public Health Officer recommended universal masking, regardless of vaccination status, in public indoor settings across California. The State Public Health Officer explained that universal indoor masking “adds an extra precautionary measure for all to reduce the transmission of COVID-19, especially in communities currently seeing the highest rates of transmission.”

In addition, this Order continues some requirements on businesses and government entities, such as a general requirement to report positive cases in the workplace and in schools, a requirement for signage, and a proof of vaccination or testing negative for COVID-19 requirement to admit people to attend indoor mega-events largely consistent with state rules. Also, this Order includes best practice recommendations to reduce COVID-19 risk for individuals, businesses, and government entities.

COVID-19 daily cases and community transmission remain high; on August 20, 2021 alone, Los Angeles County reported 3,361 new cases. As of August 19, 2021, Los Angeles County is also reporting a 7-day daily average case rate of 28.1 cases per 100,000 people, without a 7-day lag. Further, the test positivity rate and hospitalizations have also dramatically increased. This indicates a continued and High risk of COVID-19 infection for those who are not or cannot be vaccinated against COVID-19. Based upon federal CDC indicators and thresholds, this means that community transmission of COVID-19 within the County of Los Angeles is now High, and highly likely to increase during the coming days and weeks.

There are millions of people in Los Angeles County who are not yet vaccinated against COVID-19, including children under 12 years old who are not currently eligible to be vaccinated. Most COVID-19 infections are caused by people who have no or mild symptoms of infection. Variants of the virus that may spread more easily or cause more severe illness remain present and have increased in our County. In the absence of physical distancing requirements for the public and capacity limits for indoor and outdoor settings, unvaccinated and partially vaccinated persons are more likely to get infected and spread the virus, which is transmitted through the air and concentrates in indoor settings. We have also seen surges in other parts of the country and the world, increasingly impacting younger adults.

At this time, the current COVID-19 vaccines are effective at helping to reduce the risk of getting and spreading the infection and also of getting seriously ill even if a fully vaccinated person gets COVID-19, even against the current variants of the virus that causes COVID-19. Although no vaccine is 100 percent effective at preventing illness in vaccinated people, the currently authorized COVID-19 vaccines remain the best form of protection against COVID-19. Vaccinations remain widely available to those 12 years and older. Everyone who is eligible, including those who have recovered from a COVID-19 infection and people at risk for severe illness with COVID-19—such as unvaccinated older adults and unvaccinated individuals with health risks—and members of their households are urged to get vaccinated against COVID-19 as soon as they can if they have not already done so. Those who are not fully vaccinated are urged to adhere to both the required and recommended risk reduction measures.



We must remain vigilant against variants of the virus that causes COVID-19, especially given High levels of transmission here and in other parts of the world and due to the possibility of a new variant being identified for which the current COVID-19 vaccines may not be effective. Currently, the Delta variant is predominant in Los Angeles County. The Delta variant is two times as contagious than early COVID-19 variants and continues to lead to increased infections. Further, recent data suggests that the immune response to COVID-19 vaccination might be reduced in some immunocompromised people, which increases their risk of serious health consequences from COVID-19 infection. It is, therefore, prudent to require continued indoor masking for all as an effective public health measure to reduce transmission between people.

This Order is issued to help slow and improve the High level of community transmission of COVID-19 here in Los Angeles County.

This Order's primary intent is to reduce the transmission risk of COVID-19 in the County for all, especially those who are not fully vaccinated and fully vaccinated but immunocompromised persons, in the absence of other protective measures, like physical distancing requirements and capacity limits.

This Order will be revised in the future, if needed, to reflect the State Executive Orders, California Division of Occupational Safety and Health's (better known as Cal/OSHA) worksite requirements, State Public Health Officer Orders and guidance, and CDC recommendations. Should local COVID-19 conditions warrant, the Health Officer may, after consultation with the Board of Supervisors, issue Orders that are more restrictive than those of the State Public Health Officer.

This Order is effective within the County of Los Angeles Public Health Jurisdiction, defined as all cities and unincorporated areas within the County of Los Angeles, with the exception of the cities of Long Beach and Pasadena that must follow their respective City Health Officer orders and guidance. This Order is effective at 11:59pm on **Monday, August 23, 2021** and will continue until further notice.

**UNDER THE AUTHORITY OF CALIFORNIA HEALTH AND  
SAFETY CODE SECTIONS 101040, 101085, AND 120175,  
THE COUNTY OF LOS ANGELES HEALTH OFFICER ORDERS:**

1. This Order supersedes the Health Officer's Prior Order.
2. This Order's intent is to continue to protect the community from COVID-19, in particular for those who are not or cannot be fully vaccinated<sup>1</sup> against COVID-19 in the County, in the absence of other protective measures and to increase vaccination rates to reduce spread of COVID-19 long-term, so that the whole community is safer and the COVID-19 pandemic can come to an end. Failure to comply with any of the Order's provisions constitutes an imminent

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<sup>1</sup> People are considered "fully vaccinated" against COVID-19 two weeks or more after they have received the second dose in a 2-dose series (e.g., Pfizer-BioNTech or Moderna) or 2 weeks or more after they have received a single-dose vaccine (e.g., Johnson and Johnson [J&J]/Janssen).

threat and menace to public health, and a public nuisance, and is punishable by citation or fine.

- a) This Order does not supersede any stricter limitation imposed by a local public entity within the County of Los Angeles Public Health Jurisdiction. The Order is consistent with existing authority that local health jurisdictions may implement or continue more restrictive public health measures if the jurisdiction's Local Health Officer determines that health conditions in that jurisdiction warrant such measures. Where a conflict exists between this Order and any State Public Health Officer Order related to controlling the spread of COVID-19 during this pandemic, the most restrictive provision controls, unless the County of Los Angeles is subject to a court order requiring it to act on, or enjoining it from enforcing, any part of this Order.
3. All persons living within the County of Los Angeles Public Health Jurisdiction should continue to practice required and recommended COVID-19 infection control measures at all times and when among other persons when in community, work, social or school settings, especially when multiple unvaccinated persons from different households may be present and in close contact with each other, especially when in indoor or crowded outdoor settings.
  4. **Face Masks.** All individuals must follow the requirements included in both the requirements of this Order and the July 28, 2021 Guidance for the Use of Face Coverings issued by the California Department of Public Health.
    - a) These requirements are aligned with July 28, 2021 recommendations issued by the CDC. The CDC recommendations provide information about both indoor and higher risk settings where masks are required or recommended to prevent transmission to:
      - i. Persons with a higher risk of infection (e.g., unvaccinated or immunocompromised persons),
      - ii. Persons with prolonged, cumulative exposures (e.g., workers), or
      - iii. Persons whose vaccination status is unknown.

When people wear a mask correctly, they protect others as well as themselves. Consistent and correct mask use is especially important indoors and outdoors when in close contact with (less than six feet from) others who are not fully vaccinated against COVID-19 or whose vaccination status is unknown.

- b) Masks are required to be worn by everyone, regardless of COVID-19 vaccination status, in the following settings:
  - i. On public transit (examples: airplanes, ships, ferries, trains, subways, buses, taxis, and ride-shares),
  - ii. In transportation hubs (examples: airport, bus terminal, marina, train station, seaport or other port, subway station, or any other area that provides transportation),
  - iii. Indoors in K-12 schools, childcare and other youth settings,
  - iv. Healthcare settings (including long term care facilities),
  - v. State and local correctional facilities and detention centers,

- vi. Homeless shelters, emergency shelters, and cooling centers,
  - vii. All indoor public settings, venues, gatherings, and public and private businesses (some examples: offices, manufacturing, warehouses, retail, restaurants, theaters, family entertainment centers, meetings, and state and local government offices serving the public, **Indoor Mega Events**, among others), and
  - viii. Outdoor Mega Events.
- c) Recommendation: In indoor public and private settings where there is close contact with other people who may not be fully vaccinated, individuals should consider wearing a higher level of protection, such as wearing two masks (“double masking”) or a wearing a respirator (e.g., KN95 or N95). This is particularly important if an individual is not fully vaccinated and is in an indoor or crowded outdoor setting.
- d) Individuals, businesses, venue operators or hosts of public indoor settings, venues, gatherings, and businesses, and Outdoor Mega Events must:
- i. Require all patrons, customers, and guests to wear masks when inside at all indoor settings **and at Outdoor Mega Events**, regardless of their vaccination status; and
  - ii. Post clearly visible and easy to read signage, with or without having an employee present, at all entry points for indoor and outdoor settings to communicate the masking requirements for patrons, customers, and guests.
- e) For clarity, patrons, customers, or guests at public indoor settings, venues, gatherings, and public and private businesses, and at Outdoor Mega-Events are required to wear a face mask except while:
- i. Actively eating or drinking, which is the limited time during which the mask can be removed briefly to eat or drink, after which it must be immediately put back on. Patrons, **customers**, or guests must be seated at a table or positioned at a stationary counter, ticketed seat, or place while actively eating or drinking indoors, or while actively eating or drinking at an Outdoor Mega-Event.
  - ii. Showering or engaging in personal hygiene or a personal care service that requires the removal of the face mask;
  - iii. Alone in a separate room, office or interior space;
- f) Special considerations are made for people with communication difficulties or certain disabilities. Clear masks or cloth masks with a clear plastic panel that [fit well](#) are an alternative type of mask for people who interact with: people who are deaf or hard of hearing, children or students learning to read, people learning a new language, and people with disabilities.
- g) All businesses, venue operators or hosts must implement measures to clearly communicate to non-employees the masking requirements on their premises.
- h) No person can be prevented from wearing a mask as a condition of participation in an activity or entry into a business.
- i) The categories of persons who are exempt from mask requirements remain unchanged at this time and can be found at <http://publichealth.lacounty.gov/acd/ncorona2019/masks/#notwear>. In workplaces,



certain employees may be exempt from wearing a mask when performing specific tasks which cannot feasibly be performed while wearing a mask. This exception is limited to the period of time in which such tasks are actually being performed. Workers who cannot feasibly wear a mask while performing their work must be tested for COVID-19 at least twice per week, unless the employer is provided proof of the employee's full vaccination against COVID-19 or proof of recovery from laboratory-confirmed COVID-19 within the past 90 days against COVID-19.

- j) In workplaces, most employers and businesses are subject to the Cal/OSHA COVID-19 [Emergency Temporary Standards \(ETS\)](#) and some to the [Cal/OSHA Aerosol Transmissible Diseases Standards](#), and should consult those regulations for additional applicable requirements. The ETS allow local health jurisdictions to require more protective mandates. This County Health Officer Order, which requires masking of all individuals at indoor public settings and businesses, and Outdoor Mega-Events, regardless of vaccination status, is a such a mandate in Los Angeles County, and overrides the more permissive ETS regarding employee<sup>2</sup> masking.
- k) All employers and businesses subject to Cal/OSHA must review and comply with the active Cal/OSHA COVID-19 Prevention Emergency Temporary Standards (ETS). As approved and effective, the full text of the COVID-19 Prevention emergency standards will be listed under [Title 8, Subchapter 7, sections 3205-3205.4](#) of the California Code of Regulations. All businesses or employers with independent contractors should also review the State Labor Commissioner's Office webpage entitled, "[Independent contractor versus employee](#)", which discusses the "employment status" of persons hired as independent contractors, to ensure correct application of the ETS.

**5. Mandatory Reporting by Businesses and Governmental Entities.** Persons and businesses within the County of Los Angeles Public Health Jurisdiction must continue to follow the COVID-19 infection control protocols and guidance provided by the County Department of Public Health regarding isolation of persons confirmed or suspected to be infected with the virus that causes COVID-19 disease or quarantine of those exposed to and at risk of infection from COVID-19. In instances where the County has not provided a specific guidance or protocol, specific guidance or protocols established by the State Public Health Officer shall control.

- a) In the event that an owner, manager, or operator of any business knows of three (3) or more cases of COVID-19 among their employees within a span of 14 days, the employer must report this outbreak to the Department of Public Health at (888) 397-3993 or (213) 240-7821, or online at [www.redcap.link/covidreport](http://www.redcap.link/covidreport).
- b) In the event that an owner, manager, or operator of any business is informed that one or more employees, assigned or contracted workers, or volunteers of the business has tested positive for, or has symptoms consistent with COVID-19 (case), the employer must have a protocol to require the case(s) to isolate themselves at home and require the immediate self-quarantine of all employees that had a workplace exposure to the case(s).

<sup>2</sup> Some independent contractors are considered as employees under the State Labor Code. For more details, check the California Department of Industrial Relations' [Independent contractor versus employee](#) webpage.

6. **LACDPH Best Practice Guidance.** All individuals and Businesses are strongly urged to follow the LACDPH Best Practice Guidance, containing health and safety recommendations for COVID-19.
7. **Considerations for Persons at Higher Risk for Negative Health Outcomes:** At this time, people at risk for severe illness or death from COVID-19—such as unvaccinated older adults and unvaccinated individuals with health risks—and members of their household, should defer participating in activities with other people outside their household where taking protective measures, including wearing face masks and social distancing, may not occur or will be difficult, especially indoors or in crowded spaces. For those who are not yet fully vaccinated, staying home or choosing outdoor activities as much as possible with physical distancing from other households whose vaccination status is unknown is the best way to prevent the risk of COVID-19 transmission.
8. **Encourage Activities that Can Occur Outdoors.** All Businesses and governmental entities are urged to consider moving operations or activities outdoors, where feasible and to the extent allowed by local law and permitting requirements, because there is generally less risk of COVID-19 transmission outdoors as opposed to indoors.
9. **Ventilation Guidelines.** All Businesses and governmental entities with indoor operations are urged to review the Ventilation Guidelines and implement ventilation strategies for indoor operations as feasible. See California Department of Public Health [Interim Guidance for Ventilation, Filtration and Air Quality in Indoor Environments](#) for detailed information. Nothing in this Order limits any ventilation requirements that apply to particular settings under federal, state, or local law.
10. **High-Risk Health Care and Congregate Settings.** This Order incorporates by reference the State Public Health Officer Order of July 26, 2021, which requires additional statewide facility-directed measure to protect particularly vulnerable populations. The Order is found here: [State Public Health Officer Order issued July 26, 2021](#)
11. **Sectors that Continue to Require Additional Risk Reduction Measures.** The following sectors serve persons and populations that have lower rates of vaccination or persons who are not yet eligible to be vaccinated. As such, these sectors continue to require additional risk reduction measures and must operate subject to the following conditions listed below and those specified in the County sector-specific reopening protocol(s) located at <http://publichealth.lacounty.gov/media/Coronavirus/index.htm>:
  - a) **Day camps.** Day camp owners and operators must implement and post the required Los Angeles County Department of Public Health Reopening Protocol for Day Camps, attached to this Order as **Appendix K**.
  - b) **Schools (K-12) and School Districts.** All public and private schools (K-12) and school districts within the County of Los Angeles may open for in-person classes. Educational facilities serving students at any grade level must prepare, implement and post the required Los Angeles County Department of Public Health Reopening Protocols for K-12 Schools, attached to this Order as **Appendix T1**, and must follow the Protocol for

COVID-19 Exposure Management Plan in K-12 Schools, attached to this Order as Appendix T2.

- c) **Mega Events (Outdoor and Indoor)**. Mega Events are characterized by large crowds greater than 1,000 indoor or 10,000 outdoor attendees. Mega Events do not include venues such as shopping malls, museums or amusement parks that are open to public circulation as part of their regular operations, except to the extent that such venues host qualifying events. Mega Events may have either assigned or unassigned seating, and may be either general admission or gated, ticketed and permitted events. These events are considered higher risk for COVID-19 transmission.

i. **Indoor Mega Events**: Indoor Mega Events (example: conventions/ conferences/ expos/ sporting events and concerts) where 1,000 or more people are in attendance, remain open to the public. In addition to the general public health recommendations, Indoor Mega Event operators must verify the full vaccination status<sup>3</sup> or pre-entry negative COVID-19 viral test<sup>4</sup> result of all attendees. Attendees must wear a face covering while indoors at an Indoor Mega Event. Indoor Mega Event operators must prominently place information on all communications, including reservation and ticketing systems, to ensure guests are aware of the proof of pre-entry testing or full vaccination status, including masking requirements, and acceptable modes of verification. For Indoor Mega Events taking place on or after September 20, 2021, self-attestation can no longer be used as a method to verify an attendee's status as fully vaccinated or as proof of a negative COVID-19 test result..

- ii. **Outdoor Mega Events**: Outdoor Mega Events (example: music or food festivals/car shows/large endurance events and marathons/ parades/ sporting events and concerts) that attract crowds of over 10,000 persons, remain open to the public. In addition to the general public health recommendations, it is strongly recommended that Outdoor Mega Event operators verify the full vaccination status or pre-entry negative COVID-19 viral test result for all attendees. It is not recommended that Outdoor Mega Event operators use self-attestation to verify status of an attendee as fully vaccinated nor as proof of a negative COVID-19 test result. All attendees must wear face masks at all times, except when actively eating or drinking. Outdoor Mega Event operators must prominently place information on all communications, including reservation and ticketing systems, to ensure guests are aware of both the County Health Officer's Order that all persons must wear a face mask while in attendance and the strong State and County health officer recommendation that all attendees either be fully vaccinated against COVID-19 or obtain a negative COVID-19

<sup>3</sup> The following are acceptable as proof of full vaccination status: Vaccination card (which includes name of person vaccinated, type of COVID-19 vaccine provided and date last dose administered) OR a photo of a vaccination card as a separate document OR a photo of the attendee's vaccine card stored on a phone or electronic device OR documentation of the person's full vaccination against COVID-19 from a healthcare provider.

<sup>4</sup> Pre-entry negative testing is testing that must be conducted within 72 hours before event start time (both PCR and antigen are acceptable). Results of the test must be available prior to entry into the event or venue. The following are acceptable as proof of a negative COVID-19 viral test result: printed document (from the test provider or laboratory) OR an email or text message displayed on a phone from the test provider or laboratory. The information should include person's name, type of test performed, and negative test result (date of test must be within prior 72 hours).

viral test prior to attending the event. Operators are to make face masks available for all attendees.

iii. **Additional Recommendations for Both Outdoor and Indoor Mega**

**Events:** Mega Event operators are encouraged to follow these additional recommendations:

1. For Outdoor Mega Events, assign staff to remind all guests to wear face masks while on the premises or location.
2. Encourage everyone to get vaccinated when eligible.
3. Facilitate increased ventilation of indoor spaces (i.e., open all windows and doors to increase natural air flow), following California Department of Public Health [Interim Guidance for Ventilation, Filtration and Air Quality in Indoor Environments](#).
4. Encourage everyone to sign up for [CA Notify](#) as an added layer of protection for themselves and the community to receive alerts when they have been in close contact with someone who tests positive for COVID-19.
5. Convey the risk of attending large, crowded events where the vaccine status of other attendees may be unknown to the individuals.
6. Convey the risk of attending large, crowded events for populations that may not currently be eligible for vaccination or may be immunocompromised and whose vaccine protection may be incomplete.
7. Encourage all venues along any parade or event route to provide outdoor spaces for eating/drinking/congregating to reduce the risk of transmission in indoor settings.

d) **Overnight Organized / Children's Camps.** An organized camp is a site with program and facilities established for the primary purpose of providing an overnight outdoor group living experience for recreational or other purposes for five days or more during one or more seasons of the year. A Notice of Intent to Operate must be submitted by the Camp operator to the Environmental Health Division [Communityhealth@ph.lacounty.gov](mailto:Communityhealth@ph.lacounty.gov) prior to operation. The owner or operator of an Overnight Organized/ Children's Camp must prepare, implement, and post the required Los Angeles County Public Health Protocols for Overnight Organized / Children's Camps, attached to this Order as **Appendix K-1**.

e) **Organized Youth Sports Activities.** Organized youth sports include all school (TK-12 Grades) and community-sponsored programs and recreational or athletic activities and privately organized clubs and leagues. Organized Youth Sport Protocols do not apply to collegiate or professional sports. This Protocol provides direction on outdoor and indoor youth sports activities to support an environment that presents less risk for participants of these sports. The organizers and operators of Organized Youth Sport Activities must review, implement and post the required Los Angeles County Public Health Protocol for Organized Youth Sports, effective September 1, 2021, attached to this Order as **Appendix S**.



## REASONS FOR THE ORDER

12. This Order is based upon the following determinations: continued evidence of sustained and High community transmission of COVID-19 within the County; documented asymptomatic transmission; scientific evidence and best practices regarding the most effective approaches to slow the transmission of communicable diseases generally and COVID-19 specifically; evidence that millions of people in the County population continue to be at risk for infection with serious health complications, including hospitalizations and death from COVID-19, due to age, pre-existing health conditions, being unvaccinated or not eligible for vaccination, and the increasing presence of more infectious variants of the virus that causes COVID-19 and which have been shown to cause more severe disease being present in the County; preliminary evidence that suggests that fully vaccinated people who do become infected with the Delta variant can spread the virus to others; and further evidence that other County residents, including younger and otherwise healthy people, are also at risk for serious negative health outcomes and for transmitting the virus to others. The Order's intent is to continue to reduce the risk of COVID-19 infection for all, especially those who are not or cannot be fully vaccinated against COVID-19 in the County.
13. Existing community transmission of COVID-19 in Los Angeles County is increasing and continues to present a High risk of infection and harm to the health of those who are not or cannot be vaccinated against COVID-19. COVID-19 vaccinations are widely available to those 12 years and older, but as of August 8, 2021, nearly 2.5 million eligible people age 12 years and older in our community have not received a COVID-19 vaccination and remain susceptible to infection, in addition to the approximately 1.4 million children under the age of 12 years who are not currently eligible to receive a COVID-19 vaccination. New variants of the virus that may spread more easily or cause more severe illness are increasingly present in our county and remain a high risk for those who are not vaccinated against COVID-19 in the absence of other community mitigation measures, like physical distancing requirements and capacity limits in indoor and outdoor settings. As of, **August 21, 2021**, there have been at least **1,383,186** cases of COVID-19 and **25,071** deaths reported in Los Angeles County. Increased interactions among members of the public have resulted in an increased number of daily new cases. As of **August 19, 2021**, the 7-day average daily case rate has rapidly increased to **28.1** cases per 100,000 people, indicating High community transmission, in the absence of capacity limits and physical distancing requirements across sectors in both indoor and outdoor settings. Making the risk of community transmission worse, some individuals who contract the COVID-19 virus have no symptoms or have only mild symptoms, and so are unaware that they carry the virus and are transmitting it to others. Because even people without symptoms can transmit the virus, and because new evidence shows the infection is now more easily spread, universal indoor masking is a risk reduction measure that is proven to reduce the risk of transmitting the virus.
14. Epidemiologic evidence demonstrates that the rate of community transmission, hospitalizations and testing positivity rates have all drastically increased since June 15, 2021. Although more than **11,474,822** vaccine doses have been administered and more than **5,596,691** residents ages 12 and older are fully vaccinated against COVID-19 in Los Angeles County, COVID-19 infection remains a significant health hazard to all residents.

In line with the State Public Health Officer, the Health Officer will continue to monitor scientific evidence and epidemiological data within the County.

15. The Health Officer will continue monitoring epidemiological data to assess the impact of lifting restrictions and fully re-opening sectors. Those Indicators include, but are not limited to:
- a) The number of new cases, hospitalizations, and deaths among residents in areas in the lowest Healthy Places Index (HPI) quartile and by race/ethnicity.
  - b) The COVID-19 case rate.
  - c) The percentage of COVID-19 tests reported that are positive.
  - d) The availability of COVID-19 vaccines and the percentage of eligible County residents vaccinated against COVID-19.
  - e) The number of fully vaccinated people who get sick, are hospitalized, or die from COVID-19.

### **ADDITIONAL TERMS**

16. The County shall promptly provide copies of this Order by: (a) posting it on the Los Angeles Department of Public Health's website ([www.publichealth.lacounty.gov](http://www.publichealth.lacounty.gov)), (b) posting it at the Kenneth Hahn Hall of Administration located at 500 West Temple Street, Los Angeles, CA 90012, (c) providing it to any member of the public requesting a copy, and (d) issuing a press release to publicize the Order throughout the County.
- a) The owner, manager, or operator of any facility that is likely to be impacted by this Order is strongly encouraged to post a copy of this Order onsite and download, review and implement all applicable Best Practice Guidance.
  - b) Because guidance may change, the owner, manager, or operator of any facility that is subject to this Order is encouraged to consult the Los Angeles County Department of Public Health's website ([www.publichealth.lacounty.gov](http://www.publichealth.lacounty.gov)) daily to identify any modifications to this Order and the Best Practice Guidance and continue to implement these important and necessary infection control protocols.
17. If any subsection, sentence, clause, phrase, or word of this Order or any application of it to any person, structure, gathering, or circumstance is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, then such decision will not affect the validity of the remaining portions or applications of this Order.
18. This Order incorporates by reference, the March 4, 2020 Proclamation of a State of Emergency issued by Governor Gavin Newsom and the March 4, 2020 declarations of a local and public health emergency issued by the Los Angeles County Board of Supervisors and Los Angeles County Health Officer, respectively, and as they may be supplemented.
19. This Order may be revised in the future as the State Public Health Officer amends its guidance to reflect evolving public health conditions and recommendations issued by the federal CDC and other public health authorities. Should local COVID-19 conditions warrant, the Health

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC HEALTH  
ORDER OF THE HEALTH OFFICER



Officer may, after consultation with the Board of Supervisors, issue orders that are more restrictive than the guidance and orders issued by the State Public Health Officer.

20. This Order is consistent with the provisions in the Governor's Executive Order N-60-20 and the State Public Health Officer's May 7, 2020 Order, that local health jurisdictions may implement or continue more restrictive public health measures in the jurisdiction if the local health officer believes conditions in that jurisdiction warrant them. Where a conflict exists between this Order and any state public health order related to controlling the spread of COVID-19 during this pandemic, the most restrictive provision controls. Consistent with California Health and Safety Code section 131080, except where the State Health Officer may issue an order expressly directed at this Order or a provision of this Order and based upon a finding that a provision of this Order constitutes a menace to the public health, any more restrictive measures in this Order may continue to apply and control in the County of Los Angeles Public Health Jurisdiction.
21. Pursuant to Sections 26602 and 41601 of the California Government Code and Section 101029 of the California Health and Safety Code, the Health Officer requests that the Sheriff and all chiefs of police in all cities located in the Los Angeles County Public Health Jurisdiction ensure compliance with and enforcement of this Order. The violation of any provision of this Order constitutes an imminent threat and menace to public health, constitutes a public nuisance, and is punishable by fine, imprisonment or both.
22. This Order is issued pursuant to Health and Safety Code sections 101040, 120175, and 120295.
23. This Order shall become effective at 11:59pm on **Monday, August 23, 2021** and will continue to be until it is revised, rescinded, superseded, or amended in writing by the Health Officer.

**IT IS SO ORDERED:**

A handwritten signature in blue ink, appearing to read "Muntu Davis, M.D., M.P.H.", is written over a horizontal line.

**Muntu Davis, M.D., M.P.H.**

Health Officer,  
County of Los Angeles

**8/23/2021**

**Issue Date**

## Appendices At-A-Glance

**Businesses and customers should continue reviewing best practice documents and sector-specific protocol for designated areas on a regular basis to ensure they are complying with the latest health protection and prevention measures.**

All DPH protocol and best practice documents are available at:

<http://publichealth.lacounty.gov/media/Coronavirus/index.htm>

**Appendix K:** Reopening Protocol for Day Camps [Revised 6/23/2021]

**Appendix K-1:** Reopening Protocol for Overnight Organized/ Children's Camps [Revised 6/14/2021]

**Appendix S:** Protocol for Organized Youth Sports [Revised 8/23/2021]

**Appendix T1:** Reopening Protocols for K-12 Schools [Revised 8/12/2021]

**Appendix T2:** Protocol for COVID-19 Exposure Management Plan in K-12 Schools [Revised 8/10/2021]



**Attachment B**

AGN. NO. \_\_\_\_\_

MOTION BY SUPERVISORS SHEILA KUEHL AND  
HILDA L. SOLIS

June 22, 2021

**Updating the County's Eviction Moratorium to Extend, Clarify, and Gradually  
Phase Out Tenant Protections**

The County of Los Angeles continues to make significant progress in slowing the spread of the novel coronavirus (COVID-19) pandemic. However, the COVID-19 pandemic has deeply impacted households and businesses across the County and the long-term effects continue to devastate the economy, such that unemployment rates remain at an unprecedented level, and many County residents remain out of work. More Californians have lost their jobs during COVID-19 than during the entire Great Recession. Many businesses have permanently closed or can only partially reopen with reduced staffing capacity. In response to the COVID-19 pandemic, the Board of Supervisors (Board) has issued a series of emergency orders to provide timely and necessary relief to tenants facing socio-economic and health impacts as a result. On March 19, 2020, the Chair of the Board issued an Executive Order imposing a temporary moratorium on certain types of evictions for residential and commercial tenants impacted by COVID-19 in County unincorporated areas from March 4, 2020, through May 31, 2020, which the Board has now extended through June 30, 2021

(Eviction Moratorium).

On August 31, 2020, the State of California enacted the COVID-19 Tenant Relief Act (AB 3088), to provide eviction protections to residential tenants who were unable to pay rent due to the COVID-19 emergency between March 1, 2020, and January 31, 2021, if certain requirements were met. The passage of SB 91 on January 31, 2021, extended these eviction protections through June 30, 2021, and set out a rental assistance program to support income-qualified residential tenants who have been unable to pay rent due to financial hardships caused by the pandemic. On February 23, 2021, Governor Newsom signed AB 81 into law, which further modified the eviction protections and the temporary preemption provisions of AB 3088 and SB 91.

While the County is seeing lowered rates of COVID-19 cases, the health and economic impacts of COVID-19 and the threat of becoming homeless still remain challenges to residential tenants. Additionally, the economic hardships of the pandemic still weigh heavily on commercial tenants, especially those who were required to fully or partially close their businesses to protect our health. Many County residents have lost their jobs and have either no income or reduced income, and many businesses still have a long journey to economic recovery. The State is currently running a COVID-19 rental assistance program for County residents, and additional forthcoming rental assistance dollars have been allocated to the region under the federal American Rescue Plan (ARP). Given that the State may not extend its eviction protections past June, this Board should take action to extend eviction protections during this crucial time as programs to assist tenants and property owners impacted by the pandemic continue to develop. The Board should also reinstate residential tenant protections and affirmative defenses that were previously preempted by the State under AB 3088, SB

91 and AB 81.

Since the beginning of the COVID-19 pandemic, the primary purpose of this Moratorium has been to ensure that tenants are able to remain housed, thereby minimizing the risk of the uncontrolled spread of COVID-19. However, these precautions have also prevented certain owner move-ins in cases where the tenant has not suffered financial impacts from COVID-19, because such tenants are not currently required to move out under the County's Moratorium. By creating a limited carve-out for owner move-ins in cases where the owner or owner's family member intends to use and occupy owner's single family home as their principal residence, subject to certain conditions, we can also provide assistance to owners and owners' family members who have found themselves in need of a permanent place to live during the pandemic.

By extending tenant protections and allowing a limited carve out for owner move-ins, the County can continue to protect the life and property of its residents and commercial tenants during our recovery from the COVID-19 pandemic.

**WE, THEREFORE, MOVE** that the Board of Supervisors:

1. Approve and direct the Chair of the Board to execute the attached Resolution, approved as to form by County Counsel, further amending and restating the County's Eviction Moratorium, to do the following:
  - a. Extend the Eviction Moratorium through September 30, 2021.
  - b. Effective July 1, 2021, provide protections for residential and commercial tenants (collectively, tenants) as follows, to the extent not preempted by State law:
    - i. Prohibit evictions based on non-payment of rent due to financial hardship related to COVID-19 and failure to repay unpaid rent by the

- end of the applicable repayment period.
- ii. Prohibit evictions based on tenant's failure to pay back unpaid rent under the terms of a payment plan, and make any term in a payment plan that allows eviction due to the tenant's failure to comply with the terms of the payment plan void as contrary to public policy.
  - iii. Prohibit landlords from applying a rental payment to any rental debt other than the prospective month's rent, or such other month or rental debt that the tenant specifies, unless the tenant has agreed in writing to allow the payment to be so applied.
- c. Clarify that, effective March 4, 2020, tenants have an affirmative defense in unlawful detainer actions and any other civil action for the collection of unpaid rent, if tenant was unable to pay rent during the timeframe from March 4, 2020, through the end of the Moratorium Period, due to financial impacts from COVID-19.
- d. Lift prohibition on evictions of residential tenants in situations where a landlord, who purchased a single family home on or before June 30, 2021, wishes to move into the single-family home for the landlord's or landlord's family member's own use and occupancy as their principal residence, if the following conditions are met:
- i. Residential tenant has been and is able to pay rent and does not have financial impacts from COVID-19;
  - ii. Landlord may only terminate a tenancy if the landlord or landlord's family member who will reside in the single-family home is similarly situated to the residential tenant or residential tenant's household

members who are being displaced as follows:

- a) A tenant or tenant's household member who is 62 years of age or older may only be displaced by landlord if landlord or landlord's family member is also 62 years of age or older;
- b) A tenant or tenant's household member who is disabled may only be displaced by landlord if landlord or landlord's family member is also disabled;
- c) A tenant or tenant's household member who is terminally ill may only be displaced by landlord if landlord or landlord's family member is also terminally ill; and
- d) A tenant whose household is low-income may only be displaced by landlord if landlord's or landlord's family member's household is also low-income.

- iii. Landlord provides the tenant with at least 60 days' written notice that the landlord or landlord's family member will be occupying the single family home as their principal residence, thus requiring the tenant to move out within 60 days, and the landlord provides a copy of this notice to the Department of Consumer and Business Affairs (DCBA) with proof of timely service on the tenant. The landlord shall provide an extension to this time period if anyone in the tenant's household residing in the single family home and/or the landlord or landlord's family member who will be moving into the single family home has been diagnosed with a suspected or confirmed case of COVID-19 within fourteen (14) days of the final date of the tenancy until all

- affected parties have been deemed to no longer be infectious;
- iv. Landlord pays the tenant relocation benefits in accordance with the applicable local jurisdiction's requirements for such owner move-ins or, if none, in accordance with Chapter 8.52 of the County Code;
  - v. Landlord demonstrates good faith by moving into, or having landlord's family member who will principally reside in the single family home move into, the single family home within 60 days of the tenant vacating the single family home and lives there for thirty-six (36) consecutive months, and;
  - vi. Not less than sixty (60) days prior to the final date of the tenancy, the landlord must disclose to DCBA, on a form approved by DCBA, the name(s) of the eligible individuals who will occupy the single family home, consistent with Chapter 8.52 of the County Code, as may be amended from time to time. DCBA may contact the landlord at any time during landlord's thirty-six (36) month occupancy to confirm that the landlord or landlord's family member resides in the recovered single family home and to obtain written verification of residency.
2. Instruct County Counsel to report back in 60 days with a report on the feasibility of requiring owners to apply for rental assistance before filing an unlawful detainer action or an action to recover rental debt against a tenant who has been financially impacted by COVID-19.

S:RS/UpdatingTheCounty'sEvictionMoratoriumToExtend,Clarify,andGraduallyPhaseOutTenantProtections

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF  
LOS ANGELES FURTHER AMENDING AND RESTATING THE EXECUTIVE  
ORDER FOR AN EVICTION MORATORIUM DURING THE EXISTENCE OF A  
LOCAL HEALTH EMERGENCY REGARDING NOVEL CORONAVIRUS  
(COVID-19)**

**June 22, 2021**

**WHEREAS**, on March 4, 2020, the Chair of the Los Angeles County Board of Supervisors ("Board") proclaimed, pursuant to Chapter 2.68 of the Los Angeles County Code, and the Board ratified that same day, the existence of a local emergency because the County of Los Angeles ("County") is affected by a public calamity due to conditions of disaster or extreme peril to the safety of persons and property arising as a result of the introduction of the novel coronavirus ("COVID-19") in Los Angeles County;

**WHEREAS**, also on March 4, 2020, the County Health Officer determined that there is an imminent and proximate threat to the public health from the introduction of COVID-19 in Los Angeles County, and concurrently declared a Local Health Emergency;

**WHEREAS**, ensuring that all people in the County continue to have access to running water during this public health crisis will enable compliance with public health guidelines advising people to regularly wash their hands, maintain access to clean drinking water, help prevent the spread of COVID-19, and prevent or alleviate illness or death due to the virus;

**WHEREAS**, ensuring that all customers in the County that receive power services from Southern California Edison and Southern California Gas Company (collectively, "Public Utilities") continue to have access to electricity so they are able to receive important COVID-19 information, keep critical medical equipment functioning, and utilize power, as needed, will help to prevent the spread of COVID-19 and prevent or alleviate illness or death due to the virus;

**WHEREAS**, on March 13, 2020, the Public Utilities announced that they will be suspending service disconnections for nonpayment and waiving late fees, effective immediately, for residential and business customers impacted by the COVID-19 emergency;

**WHEREAS**, on March 16, 2020, Governor Newsom issued Executive Order N-28-20 that authorizes local governments to halt evictions of renters, encourages financial institutions to slow foreclosures, and protects renters and homeowners against utility shutoffs for Californians affected by COVID-19;

**WHEREAS**, on March 19, 2020, the Chair of the Board issued an Executive Order ("Executive Order") that imposed a temporary moratorium on evictions for non-payment of rent by residential or commercial tenants impacted by COVID-19 ("Moratorium"), commencing March 4, 2020, through May 31, 2020 ("Moratorium Period");



**WHEREAS**, on March 21, 2020, due to the continued rapid spread of COVID-19 and the need to protect the community, the County Health Officer issued a revised Safer at Home Order for Control of COVID-19 ("Safer at Home Order") prohibiting all events and gatherings and closing non-essential businesses and areas until April 19, 2020;

**WHEREAS**, on March 27, 2020, Governor Newsom issued Executive Order N-37-20 extending the period for response by tenants to unlawful detainer actions and prohibiting evictions of tenants who satisfy the requirements of Executive Order N-37-20;

**WHEREAS**, on March 31, 2020, the Board ratified the Chair's Executive Order and amended the ratified Executive Order to include a ban on rent increases in the unincorporated County to the extent permitted by State law and consistent with Chapter 8.52 of the Los Angeles County Code ("Code");

**WHEREAS**, on April 6, 2020, the California Judicial Council, the policymaking body of the California courts, issued eleven temporary emergency measures, of which Rules 1 and 2 effectively provided for a moratorium on all evictions and judicial foreclosures;

**WHEREAS**, on April 14, 2020, the Board further amended the Executive Order to: expand the County's Executive Order to include all incorporated cities with the County; include a temporary moratorium on eviction for non-payment of space rent on mobilehome owners who rent space in mobilehome parks; include a ban on rent increases in the unincorporated County to the extent permitted by State law and consistent with Chapters 8.52 and 8.57 of the County Code; and enact additional policies and make additional modifications to the Executive Order;

**WHEREAS**, COVID-19 is causing, and is expected to continue to cause, serious financial impacts to Los Angeles County residents and businesses, including the substantial loss of income due to illness, business closures, loss of employment, or reduced hours, thus impeding their ability to pay rent;

**WHEREAS**, displacing residential and commercial tenants who are unable to pay rent due to such financial impacts will worsen the present crisis by making it difficult for them to comply with the Safer at Home Order, thereby placing tenants and many others at great risk;

**WHEREAS**, while it is the County's public policy and intent to close certain businesses to protect public health, safety and welfare, the County recognizes that the interruption of any business will cause loss of, and damage to, the business. Therefore, the County finds and declares that the closure of these businesses is mandated for the public health, safety and welfare; the physical loss of, and damage to, businesses is resulting from the shutdown; and these businesses have lost the use of their property and are not functioning as intended;

**WHEREAS**, because homelessness and instability can exacerbate vulnerability to, and the spread of, COVID-19, the County must take measures to preserve and

increase housing security and stability for Los Angeles County residents to protect public health;

**WHEREAS**, a County-wide approach to restricting displacement is necessary to accomplish the public health goals of limiting the spread of COVID-19 as set forth in the Safer at Home Order;

**WHEREAS**, based on the County's authority during a state of emergency, pursuant to Government Code section 8630 et seq. and Chapter 2.68 of the County Code, the County may issue orders to all incorporated cities within the County to provide for the protection of life and property, where necessary to preserve the public health, order, and safety;

**WHEREAS**, due to the continued, rapid spread of COVID-19 and the need to preserve life and property, the County has determined that continued evictions in the County and all of its incorporated cities during this COVID-19 crisis would severely impact the health, safety and welfare of County residents;

**WHEREAS**, loss of income as a result of COVID-19 may hinder County residents and businesses from fulfilling their financial obligations, including paying rent and making public utility payments, such as water and sewer charges;

**WHEREAS**, on May 12, 2020, the Board approved, and delegated authority to the Chair to execute, an Amended and Restated Executive Order that extended the Moratorium Period through June 30, 2020, unless further extended or repealed by the Board, and incorporated additional provisions;

**WHEREAS**, on May 12, 2020, the Board determined to reevaluate the Moratorium every thirty (30) days to consider further extensions;

**WHEREAS**, on June 23, 2020, the Board extended the Moratorium Period through July 31, 2020;

**WHEREAS**, on June 30, 2020, Governor Newsom issued Executive Order N-71-20, extending the timeframe for the protections set forth in Executive Order N-28-20, that authorized local governments to halt evictions for renters impacted by the COVID-19 pandemic through September 30, 2020;

**WHEREAS**, on September 1, 2020, Governor Newsom signed Assembly Bill ("AB") 3088 into law to provide immediate protections and financial relief to residential tenants, homeowners, and small landlords impacted by COVID-19, as follows:

1. Residential tenants, which includes mobilehome space renters, who are unable to pay rent between March 1, 2020, and January 31, 2021, due to financial distress related to COVID-19, including but not limited to, increased childcare or elderly care costs and health care costs, are protected from eviction as described below;

2. A landlord who serves notice on a residential tenant from March 1, 2020, through January 31, 2021, demanding payment of rent must also: (a) provide the tenant with an unsigned copy of a declaration of COVID-19-related financial distress; and (b) advise the tenant that eviction will not occur for failure to comply with the notice if the tenant provides such declaration, and additional documentation if the tenant is a high-income tenant, within fifteen (15) days;

3. A landlord may initiate an unlawful detainer action beginning October 5, 2020, if a residential tenant is unable to deliver the required declaration within the statutory time period;

4. Until February 1, 2021, a landlord is liable for damages between \$1,000 and \$2,500 for violation of the certain requirements if the residential tenant has provided the landlord with the required declaration of COVID-19-related financial distress;

5. A residential tenant who has provided the landlord with a signed declaration must, by January 31, 2021, pay at least 25 percent of rent owed for the months of October 2020, through January 2021, inclusive; and

6. Actions adopted by local governments between August 19, 2020, and January 31, 2021, to protect residential tenants from eviction due to financial hardship related to COVID-19 are temporarily preempted, where such actions will not become effective until February 1, 2021;

**WHEREAS**, on January 29, 2021, Governor Newsom signed Senate Bill ("SB") 91 into law, which extends through June 30, 2021, eviction protections under AB 3088, as well as the temporary preemption of a local jurisdiction's ability to enact new or amend existing eviction protections for nonpayment of rent due to financial distress related to COVID-19;

**WHEREAS**, on February 23, 2021, Governor Newsom signed AB 81 into law, which further modified the eviction protections and the temporary preemption provisions of AB 3088 and SB 91;

**WHEREAS**, on September 1, 2020, the Board extended the Moratorium Period through October 31, 2020, and established the County's eviction protections as the baseline for all incorporated cities within Los Angeles County, including cities that have their own local eviction moratoria, to the extent the city's moratorium does not include the same or greater tenant protections as the County's Moratorium;

**WHEREAS**, on September 23, 2020, Governor Newsom issued Executive Order N-80-20, further extending the timeframe for the protections set forth in Executive Order N-28-20, authorizing local governments to halt evictions of commercial renters impacted by the COVID-19 pandemic, through June 30, 2021;

**WHEREAS**, the County's Moratorium protects residential tenants and mobilehome space renters who are unable to pay rent due to financial impacts related to COVID-19

for the period of March 1, 2020, through September 30, 2020, and rent not paid during that period must be repaid by September 30, 2021 under AB 81;

**WHEREAS**, in addition to other tenant protections, the County's Moratorium protects residential tenants and mobilehome space renters from eviction for nuisance on the basis of having unauthorized occupants or pets whose presence is necessitated by or related to the COVID-19 emergency, and commercial tenants from eviction who are unable to pay rent due to the COVID-19 pandemic, except where such occupancy is a threat to the public health or safety, as determined by a court of law;

**WHEREAS**, on January 5, 2021, the Board extended the Moratorium and its tenant protections, where not preempted, through February 28, 2021, provided greater clarity to tenants and landlords regarding their rights and responsibilities under the Moratorium, such as harassment and retaliation protections, and added new protections to the Moratorium that would have become effective February 1, 2021; however, some of these actions were preempted by the extension of AB 3088 pursuant to SB 91 and AB 81;

**WHEREAS**, on February 23, 2021, the Board extended the Moratorium and its tenant protections, where not preempted, through June 30, 2021, it also removed certain tenant protections that were to take effect on February 1, 2021, due to preemption by the extension of AB 3088 pursuant to SB 91 and AB 81, authorized administrative fines and civil penalties pursuant to Chapters 8.52 and 8.57 of the County Code, temporarily increased administrative fines and civil penalties during the Moratorium Period, and provided aggrieved tenants a private right of action for violations of the Moratorium;

**WHEREAS**, now that the preemption period under State law is ending, the Board desires to extend the Moratorium and its tenant protections through September 30, 2021, and to reinstate, effective July 1, 2021, the following residential tenant protections, that would have been effective on February 1, 2021, but for the extension of AB 3088 pursuant to SB 91 and AB 81: (1) protection against eviction for nonpayment of rent; (2) protection against eviction for the failure to pay back rent by the end of the repayment period under the Moratorium; (3) protection against eviction for the failure to pay back owed rent under the terms of a payment plan; and (4) protection from a landlord applying rental payments in a manner contrary to the tenant's wishes;

**WHEREAS**, the Board also desires to clarify that this Moratorium provides an affirmative defense in favor of tenants in any unlawful detainer action and other civil actions that are pursued against tenants for failure to pay back rent due to financial impacts from COVID-19;

**WHEREAS**, since the start of the COVID-19 pandemic, the primary purpose of this Moratorium has been to ensure that tenants stay housed during the pandemic, thereby minimizing the risk of uncontrolled spread of COVID-19. However, this has also prevented owner move-ins where the tenant has not suffered financial impacts from COVID-19, because such tenants currently are not required to move out under the County's Moratorium;

**WHEREAS**, as the County begins to gradually lift COVID-19 restrictions, the Board desires to create a limited carve-out to permit owners to move into rental units for use and occupancy as their principal residence, subject to certain conditions, as set forth below; and

**WHEREAS**, in the interest of public health and safety, as affected by the emergency caused by the spread of COVID-19, it is necessary for the Board to adopt this Resolution Further Amending and Restating the Executive Order for an Eviction Moratorium ("Resolution") related to the protection of life and property.

**NOW, THEREFORE**, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES DOES HEREBY PROCLAIM, RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

- I. **Amendment and Restatement.** This Resolution incorporates all aspects, restrictions, and requirements of the Moratorium adopted by the Board, as ratified and amended on March 31, 2020, April 14, 2020, May 12, 2020, June 23, 2020, July 21, 2020, September 1, 2020, October 13, 2020, November 10, 2020, January 5, 2021, February 23, 2021, and June 22, 2021.
- II. **Moratorium Period.** The Moratorium Period is hereby extended through September 30, 2021. The Board will reevaluate the need for further extensions to or repeal of the Moratorium Period every thirty (30) days.
- III. **Definitions.** For purposes of this Moratorium, the following terms are defined as follows:
  - A. "Extension Protection Period" means the time period of July 1, 2021, through the end of the Moratorium Period.
  - B. "Family Member" means Tenant's or Landlord's parent, child, spouse or registered domestic partner, grandparent, grandchild, aunt or uncle at least sixty-two (62) years of age, or other dependent over which the Landlord has guardianship, the spouse's or registered domestic partner's parent, child, grandparent, grandchild, aunt or uncle at least sixty-two (62) years of age, and other dependent over which the Tenant's or Landlord's spouse or domestic partner has guardianship.
  - C. "Financial Impacts" means any of the following:
    1. Substantial loss of household income caused by the COVID-19 pandemic;
    2. Loss of revenue or business by Tenants due to business closure;
    3. Increased costs;

4. Reduced revenues or other similar reasons impacting a Tenant's ability to pay rent due;
  5. Loss of compensable hours of work or wages, layoffs; or
  6. Extraordinary out-of-pocket medical expenses.
- D. "Landlord" includes all of the following or an agent of any of the following:
1. An owner of real property for residential and/or commercial rental purposes ("rental unit" or "unit").
  2. An owner of a mobilehome park.
  3. An owner of a mobilehome park space.
- E. "Landlord's Family Member" means a Landlord's parent, child, spouse or registered domestic partner, grandparent, grandchild, aunt or uncle at least sixty-two (62) years of age, or other dependent over which the Landlord has guardianship, the spouse or registered domestic partner's parent, child, grandparent, grandchild, aunt or uncle at least sixty-two (62) years of age, and other dependent over which the Landlord's spouse or domestic partner has guardianship.
- F. "Moratorium Period" means the time period commencing March 4, 2020, through September 30, 2021, unless further extended or repealed by the Board.
- G. "Protected Time Period" means the time period of March 4, 2020, through September 30, 2020, during which a residential tenant or a mobilehome space renter was unable to pay rent.
- H. "Related to COVID-19" means related to any of the following:
1. A suspected or confirmed case of COVID-19, or caring for a household or family member who has a suspected or confirmed case of COVID-19;
  2. Lay-off, loss of compensable work hours, or other reduction or loss of income or revenue resulting from a business closure or other economic or employer impacts related to COVID-19;
  3. Compliance with an order or recommendation of the County's Health Officer to stay at home, self-quarantine, or avoid congregating with others during the state of emergency;
  4. Extraordinary out-of-pocket medical expenses related to the diagnosis of, testing for, and/or treatment of COVID-19; or

- 5. Child care needs arising from school closures in response to COVID-19.
- I. "Residential Tenant" means a residential tenant or a mobilehome space renter.
- J. "Tenant" includes all of the following:
  - 1. Tenants of a rental unit.
  - 2. Tenants who rent space or a lot in a mobilehome park.
  - 3. Tenants of commercial property, as defined in subdivision (c) of Section 1162 of the Civil Code, including, but not limited to, a commercial tenant using a property as a storage facility for commercial purposes. The following tenants of commercial property are excluded from the protections of this Moratorium:
    - a. Effective June 1, 2020, commercial tenants that are multi-national, publicly-traded, or have more than 100 employees.
    - b. Effective September 1, 2020, commercial tenants of space or property located at airports.
- K. "Transition Protection Period" means the time period from October 1, 2020, through June 30, 2021.

#### **IV. General Applicability of Moratorium.**

- A. Application. Consistent with the provisions of Paragraph V, VI, VII, and VIII, this Moratorium applies to nonpayment eviction notices, no-fault eviction notices, rent increase notices, unlawful detainer actions served and/or filed on or after March 4, 2020, and other civil actions, including, but not limited to, actions for repayment of rental debt accrued on or after March 4, 2020.
- B. Jurisdiction.
  - 1. Unincorporated County. This Moratorium applies to all unincorporated areas of the County.
  - 2. Incorporated Cities within County. Effective September 1, 2020, this Moratorium applies to incorporated cities within the County of Los Angeles pursuant to Government Code section 8630 et seq. and Chapter 2.68 of the County Code.

- a. It is the intent of the County, in enacting this Moratorium, to provide uniform, minimum standards protecting Tenants during this local emergency.
- b. Nothing in this Moratorium shall be construed to preclude any incorporated city within the County from imposing, or continuing to impose, greater local protections than are imposed by this Moratorium if the protections are not inconsistent with this Moratorium and are not preempted by State or federal regulations.
- c. Examples of greater local protections include, but are not limited to, granting additional time for commercial Tenants to notify a Landlord of an inability to pay rent, removing a requirement that a commercial Tenant notify a Landlord of an inability to pay, removing a requirement for a commercial Tenant to provide a certification or evidence of an inability to pay rent, and expanding the prohibition on evictions of Tenants to include additional prohibited grounds for eviction.

**V. Moratorium.** A temporary moratorium on evictions of Tenants impacted by the COVID-19 crisis is imposed as follows:

A. Evictions. No Landlord shall evict a Tenant as follows:

- 1. Nonpayment of Rent. A Tenant shall not be evicted for nonpayment of rent, late charges, interest, or any other fees accrued if the Tenant demonstrates an inability to pay rent and/or such related charges due to Financial Impacts Related to COVID-19, the state of emergency regarding COVID-19, or following government-recommended COVID-19 precautions, and the Tenant has provided notice to the Landlord within seven (7) days after the date that rent and/or such related charges were due, unless extenuating circumstances exist, that the Tenant is unable to pay.
  - a. Moratorium Period. Commercial Tenants who are unable to pay rent incurred during the Moratorium Period are protected from eviction under this Moratorium, so long as the reason for nonpayment is Financial Impacts Related to COVID-19, and the commercial Tenant provides notice to the Landlord to this effect within the timeframe specified in this Paragraph V.
  - b. Protected Time Period. Residential Tenants who were unable to pay rent incurred during the Protected Time Period are protected from eviction under this Moratorium, so long as the reason for nonpayment was Financial Impacts Related to COVID-19, and the Residential Tenant has provided notice to



the Landlord to this effect within the timeframe specified in this Paragraph V.

- c. Transition Protection Period. Residential Tenants who are unable to pay rent incurred during the Transition Protection Period, and who are not able to meet State law requirements necessary for protection from eviction for such nonpayment, are protected from eviction under this Moratorium, so long as the reason for nonpayment was Financial Impacts Related to COVID-19, and the Residential Tenant has provided notice to the Landlord to this effect by June 30, 2021.
  - d. Extension Protection Period. Residential Tenants who are unable to pay rent incurred during the Extension Protection Period are protected from eviction under this Moratorium, so long as the reason for nonpayment was Financial Impacts Related to COVID-19, and the Residential Tenant has provided notice to the Landlord to this effect within the timeframe specified in this Paragraph V.
- 2. No-Fault Termination of Tenancy or Occupancy. A Tenant shall not be evicted where grounds for terminating the tenancy or occupancy is not based on any alleged fault by the Tenant, including, but not limited to, those stated in Code of Civil Procedure section 1161 et seq., and Chapters 8.52 and 8.57 of the County Code. No-Fault termination of tenancy or occupancy also includes the intent to demolish or to substantially remodel the real property.
- 3. Owner Move-Ins. However, as of July 1, 2021, a Landlord, who purchased a single-family home on or before June 30, 2021, and seeks in good faith to recover possession of said single-family home for the Landlord's or Landlord's Family Member's own use and occupancy as the Landlord's or Landlord's Family Member's principal residence for at least thirty-six (36) consecutive months, may displace the current Residential Tenant and Residential Tenant's household members in order to move into the single-family home subject to the following conditions:
  - a. Residential Tenant has been and is able to pay rent and does not have Financial Impacts Related to COVID-19;
  - b. Landlord may only terminate a tenancy if the Landlord or Landlord's Family Member who will reside in the single-family home is similarly situated to the Residential Tenant or Residential Tenant's household members who are being displaced, as follows:

- i. If the Residential Tenant or one of Residential Tenant's household members is at least sixty-two (62) years of age or older, then the Landlord or Landlord's Family Member who will reside in the single-family home must also be sixty-two (62) years of age or older;
  - ii. If the Residential Tenant or one of Residential Tenant's household members is a person with a disability who has a physical or mental impairment that limits one or more of a person's major life activities within the meaning of the California Fair Housing and Employment Act pursuant to California Government Code section 12926, then the Landlord or Landlord's Family Member who will reside in the single-family home must also be a person with a disability;
  - iii. If the Residential Tenant or one of Residential Tenant's household members has a terminal illness as verified by a medical care provider, then the Landlord or Landlord's Family Member who will reside in the single-family home must also have a terminal illness; or
  - iv. If the Residential Tenant is a low-income household (low-income household means a household whose income does not exceed the qualifying limits for lower income households as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937, or as otherwise defined in California Health and Safety Code section 50079.5), then the Landlord or Landlord's Family Member who will reside in the single-family home must also be a low-income household.
- c. Landlord provides Residential Tenant with at least sixty (60) days' written notice that Landlord or Landlord's Family Member will be occupying the single family home as their principal residence, thus requiring Residential Tenant to vacate the single family home within sixty (60) days, and Landlord provides a copy of said notice to the Department of Consumer and Business Affairs ("DCBA") with proof of timely service on the Residential Tenant. The Landlord shall provide an extension to this time period if anyone in the Residential Tenant's household residing in the single-family home and/or anyone in the Landlord's or Landlord's Family Member's household who will be moving into the single family home has been diagnosed with a suspected or confirmed case of

COVID-19 within fourteen (14) days of the final date of the tenancy until all affected parties have been deemed to no longer be infectious. Landlord demonstrates good faith by moving into, or having Landlord's Family Member who will principally reside in the single family home move into, the single-family home within sixty (60) days of Residential Tenant vacating the single-family home and living in the single-family home as Landlord's or Landlord's Family Member's principal residence for at least thirty-six (36) consecutive months;

- d. Landlord pays the Residential Tenant relocation assistance. The amount of relocation assistance shall be as set forth in the regulations, executive orders, or municipal code of the local jurisdiction within which the single-family home is located. If no such relocation assistance requirements exist for such owner move-ins, Landlord shall pay Residential Tenant relocation assistance as set forth in Section 8.52.110 of the County Code and DCBA's policies and procedures;
  - e. Not less than sixty (60) days prior to the final date of the tenancy, the Landlord must disclose to DCBA the name(s) of the eligible individuals who will occupy the single-family home on a form approved by DCBA. DCBA may contact the Landlord at any time during Landlord's or Landlord's Family Member's thirty-six (36) month occupancy to confirm that the Landlord or Landlord's Family Member resides in the recovered single-family home and to obtain written verification of residency; and
  - f. Landlord is in compliance with all requirements of Chapter 8.52 of the County Code for single-family homes located in unincorporated County.
4. Nuisance or Unauthorized Occupants or Pets. A Residential Tenant shall not be evicted for nuisance or for unauthorized occupants or pets whose presence is necessitated by or related to the COVID-19 emergency.
5. Denial of Entry. A Residential Tenant shall not be evicted on the ground that such tenant denied entry by the Landlord into the rental unit, subject to the following:
- a. The following circumstances permit entry into the Residential Tenant's unit:

- i. Remedying a condition that substantially endangers or impairs the health or safety of a Residential Tenant or other persons in, or in the vicinity of, the rental unit, or
    - ii. Residential Tenant is causing or threatening to cause substantial damage to the rental unit.
  - b. If a Landlord seeks entry pursuant to subdivision (a) above, the Landlord must:
    - i. Not permit entry by any person who is, or who the Landlord has good cause to believe is, a carrier of COVID-19.
    - ii. Ensure that appropriate social distancing, cleaning, and sanitation measures are taken to protect the Residential Tenant and members of the household from risk of transmitting COVID-19 as a result of entry into the rental unit. Such measures must account for: the Residential Tenant notifying Landlord that the Residential Tenant, or a member of the household, has or believes in good faith to have been recently exposed to COVID-19; or the Residential Tenant notifying Landlord that the Residential Tenant, or a member of the household, is at a higher risk for more serious complications from COVID-19.
    - iii. A Landlord who enters the rental unit shall promptly leave the rental unit if the Residential Tenant revokes permission to enter because of the Landlord's failure to observe appropriate social distancing, cleaning, and sanitization measures.
  - c. For purposes of this subsection only, "Landlord" includes, but is not limited to, any person authorized by the Landlord to enter the rental unit, such as maintenance personnel, a prospective buyer, or a prospective tenant.
6. Notwithstanding (1) through (5), above, or any other provision of this Moratorium, this Moratorium shall not apply where the eviction is necessary to maintain compliance with the requirements of Civil

Code section 1941.1, Health and Safety Code sections 17920.3 or 17920.10, or any other applicable law governing the habitability of rental units, or where the Tenant's occupancy is otherwise a threat to the public health or safety as determined by a court of law.

B. Tenant Certification.

1. Residential Tenants. Residential Tenants seeking protection under this Moratorium, may provide, and Landlords must accept, a self-certification of inability to pay rent, and are required to provide notice to the Landlord to this effect within the timeframe specified in this Paragraph V, unless otherwise specified.
2. Commercial Tenants.
  - a. Commercial Tenants with nine (9) employees or fewer, may provide, and Landlords must accept, a self-certification of inability to pay rent, and are required to provide notice to the Landlord to this effect within the timeframe specified in this Paragraph V.
  - b. Commercial Tenants with ten (10) or more, but fewer than 100, employees must provide written documentation demonstrating financial hardship, along with notice of inability to pay rent, to the Landlord within the timeframe specified in this Paragraph V.

C. Repayment of Rent. Unpaid rent incurred during the Moratorium Period shall be repaid pursuant to the following:

1. Repayment by Residential Tenants.
  - a. Residential Tenants who were unable to pay rent during the Protected Time Period shall have up to September 30, 2021, to repay unpaid rent incurred during the Protected Time Period, unless further extended by the Board.
  - b. Residential Tenants who are unable to pay rent during the Transition Time Period shall repay such rental debt pursuant to SB 91 and AB 81, unless extended further through State legislation.
  - c. Residential Tenants shall have up to twelve (12) months from the expiration of the Extension Time Period to repay unpaid rent incurred during the Extension Time Period.

2. Repayment by Commercial Tenants. Commercial Tenants must adhere to the following repayment schedule at the end of the Moratorium Period:
  - a. Commercial Tenants with nine (9) employees or fewer shall have twelve (12) months from the expiration of the Moratorium Period to repay unpaid rent.
  - b. Commercial Tenants with ten (10) or more, but fewer than 100, employees, shall have six (6) months from the expiration of the Moratorium Period to repay unpaid rent, in equal installments, unless the commercial Tenant and Landlord agree to an alternate payment arrangement.
3. Partial Payments and Payment Plans. Tenants and Landlords are encouraged to agree on a payment plan during this Moratorium Period, and nothing herein shall be construed to prevent a Landlord from requesting and accepting partial rent payments, or a Tenant from making such payments, if the Tenant is financially able to do so.
4. Failure to Pay Back Rent Not Ground for Eviction. Tenant's failure to pay back unpaid rent under the terms of a payment plan, or at the end of the repayment period shall not be cause to evict the Tenant. Any term in a payment plan that allows eviction due to the Tenant's failure to comply with the terms of the payment plan is void as contrary to public policy.
5. Application of Rental Payment. Effective March 4, 2020, a Landlord is prohibited from applying a rental payment to any rental debt other than to the prospective month's rent, or such other month or rental debt that the Tenant specifies, unless the Tenant has agreed in writing to allow the payment to be otherwise applied.

**VI. Rent Increases in Unincorporated County Prohibited.** Landlords shall not increase rents for Residential Tenants in the unincorporated County during the Moratorium Period, to the extent otherwise permitted under State law and consistent with Chapters 8.52 and 8.57 of the County Code. **Nothing in this Moratorium shall be construed to apply this limitation of rent increases in incorporated cities within the County.**

**VII. Pass-Throughs or Other Fees Prohibited.** Landlords shall not impose any pass-throughs otherwise permitted under Chapters 8.52 and 8.57 of the County Code, or charge interest or late fees on unpaid rent or other amounts otherwise owed, during the Moratorium Period. Landlords are prohibited from retroactively imposing or collecting any such amounts following the termination or expiration of the Moratorium.

**VIII. Harassment and Retaliation Protections.** Landlords, and those acting on their behalf or direction, are prohibited from harassing, intimidating, or retaliating against Tenants for acts or omissions by Tenants permitted under this Moratorium, and such acts by Landlord or Landlord's agent will be deemed to be violations of the Retaliatory Eviction and Harassment provisions as set forth in County Code Sections 8.52.130 and 8.57.100 and as expanded herein. Harassing, intimidating, or retaliatory acts by Landlords, and those acting on their behalf or direction, include, but are not limited to:

- A. Interrupting, terminating, or failing to provide all services required to be provided by the Landlord related to the use or occupancy of a rental unit ("Housing Services") under the terms of a lease agreement or under federal, State, County, or local housing, health, or safety laws unless such Housing Services are closed due to Health Officer Orders;
- B. Failing to perform repairs and maintenance required by a rental agreement or by federal, State or local housing, health, or safety laws;
- C. Failing to exercise due diligence in completing repairs and maintenance once undertaken or failing to follow appropriate industry repair, containment or remediation protocols designed to minimize exposure to noise, dust, lead, paint, mold, asbestos, or other building materials with potentially harmful health impacts;
- D. Abusing the Landlord's right of access into a rental unit. This includes entries, and attempted entries, for inspections that are not related to necessary repairs or services; that are excessive in number; that improperly target certain Residential Tenants; that are used to collect evidence against the occupant; or that are otherwise beyond the scope of a lawful entry;
- E. Abusing a Tenant with words that are offensive and inherently likely to provoke an immediate violent reaction. This includes words used during in-person conversations, through social media postings or messages, or other communications;
- F. Influencing or attempting to influence a Tenant to vacate a rental unit through fraud, intimidation or coercion, which shall include threatening to report a Tenant to the United States Department of Homeland Security or any other governmental or law enforcement agency;
- G. Threatening a Tenant, by word, gesture, or with physical harm;
- H. Violating any law which prohibits discrimination based on race, gender, sexual preference, sexual orientation, ethnic background, nationality, religion, age, parenthood, marriage, pregnancy, disability, human immunodeficiency virus (HIV)/acquired immune deficiency syndrome (AIDS), occupancy by a minor child, or source of income;

- I. Taking action to terminate any tenancy including service of any notice to quit or notice to bring any action to recover possession of a rental unit based upon facts which the Landlord has no reasonable cause to believe to be true or upon a legal theory which is untenable under the facts known to the Landlord. No Landlord shall be liable under this subsection for bringing an action to recover possession unless and until the Tenant has obtained a favorable termination of that action;
- J. Removing from the rental unit personal property, furnishings, or any other items without the prior written consent of a Tenant, except when done pursuant to enforcement of a legal termination of tenancy or as otherwise authorized by law;
- K. Offering payments to a Tenant to vacate more than once in six (6) months, after the Tenant has notified the Landlord in writing that the Tenant does not desire to receive further offers of payments to vacate;
- L. Attempting to coerce a Tenant to vacate with offers of payment to vacate which are accompanied with threats or intimidation. This shall not include settlement offers made in good faith and not accompanied by threats or intimidation in pending eviction actions;
- M. Refusing to acknowledge receipt of a Tenant's lawful rent payment;
- N. Refusing to cash a rent check for over thirty (30) days;
- O. Requesting information that violates a Tenant's right to privacy including, but not limited to, residence or citizenship status, protected class status, or social security number, except as required by law or in the case of a social security number, for the purpose of obtaining information to determine qualification for tenancy, or releasing such information except as required or authorized by law;
- P. Interfering with a Residential Tenant's right to privacy including, but not limited to, entering or photographing portions of a rental unit that are beyond the scope of a lawful entry or inspection;
- Q. Interfering with a Residential Tenant's right to quiet use and enjoyment of a rental unit as that right is defined by State law;
- R. Other repeated acts or omissions of such significance as to substantially interfere with or disturb the comfort, repose, peace, or quiet of any person lawfully entitled to occupancy of such rental unit and that cause, are likely to cause, or are intended to cause any person lawfully entitled to occupancy of a rental unit to vacate such rental unit or to surrender or waive any rights in relation to such occupancy;



- S. Removing a Housing Service for the purpose of causing a Residential Tenant to vacate the residential unit or mobilehome. For example, taking away a parking space knowing that a Residential Tenant cannot find alternative parking and must therefore move; and
- T. Interfering with the right of a Residential Tenant to: organize and engage in concerted activities with other tenants for the purpose of mutual aid and protection; provide property access to tenant organizers, advocates, or representatives working with or on behalf of tenants living at a property; convene tenant or tenant organization meetings in an appropriate space accessible to tenants under the terms of their rental agreement; or distribute and post literature informing other tenants of their rights and of opportunities to involve themselves in their project in common areas, including lobby areas and bulletin boards.

**IX. Administrative Fines.** A Landlord, who is determined by DCBA to have violated Paragraphs V, VI, VII or VIII of this Resolution, including those relating to the harassment protections enumerated above, shall be subject to administrative fines pursuant to Sections 8.52.160 and 8.57.130 of the County Code. The maximum administrative fine for violations of Paragraph VIII of this Resolution is temporarily increased for the duration of this Moratorium from \$1,000 to up to \$5,000 per violation for each day the violation continues, and if the aggrieved Tenant is disabled or sixty-five (65) years of age or older, an additional fine of up to \$5,000 per violation per day may be assessed.

**X. Remedies.**

- A. Civil Liability. Any Tenant, or any other person or entity acting on behalf of the Tenant who will fairly and adequately represent the Tenant's interests, including the County, may enforce the provisions of Paragraphs V, VI, VII or VIII of this Resolution by means of a civil action seeking civil remedies and/or equitable relief. Landlords shall be subject to civil penalties pursuant to Sections 8.52.170 and 8.57.140 of the County Code. The maximum civil penalty for violation of Paragraph VIII of this Resolution is increased from \$1,000 to up to \$5,000 per violation for each day the violation continues, and if the aggrieved Tenant is disabled or sixty-five (65) years of age or older, the court may award an additional penalty of up to \$5,000 per violation per day. No administrative remedy need be exhausted prior to filing suit to enforce this Moratorium.
- B. Criminal Liability. Violation of Paragraphs V, VI, VII or VIII of this Resolution shall be punishable as set forth in Section 2.68.320 of the County Code.
- C. Affirmative Defense. Effective March 4, 2020, any Tenant protection provided under this Moratorium shall constitute an affirmative defense for a Tenant in any unlawful detainer action brought pursuant to California Code of Civil Procedure section 1161, as amended, and any other civil action

seeking repayment of rental debt. Said affirmative defenses shall survive the termination or expiration of this Moratorium.

- D. Nonexclusive Remedies and Penalties. The remedies provided in this Moratorium are not exclusive, and nothing in this Moratorium shall preclude Tenant from seeking any other remedies or penalties available at law or in equity.

**XI.** This Moratorium addresses the County's public policy and intent to close certain businesses to protect public health, safety and welfare, and the County recognizes that the interruption of any business will cause loss of, and damage to, the business. Therefore, the County finds and declares that the closure of certain businesses is mandated for the public health, safety and welfare, the physical loss of, and damage to, businesses is resulting from the shutdown, and these businesses have lost the use of their property and are not functioning as intended.

**XII.** Grocery stores, gas stations, pharmacies and other retailers are requested to institute measures to prevent panic buying and hoarding essential goods, including, but not limited to, placing limits on the number of essential items a person can buy at one time, controlling entry to stores, and ensuring those at heightened risk of serious complications from COVID-19 are able to purchase necessities.

**XIII. Guidelines and Board Delegations.**

- A. The Director of the DCBA, or his designee, shall issue guidelines to aid in the implementation of the Moratorium, including, but not limited to, guidance regarding the ways in which Tenants can certify they are entitled to protection under the Moratorium, appropriate supporting documentation for Tenants not entitled to self-certify under the Moratorium, notice requirements, and procedures for utilizing dispute resolution services offered by DCBA, among other clarifications.
- B. The Los Angeles County Development Authority ("LACDA"), acting in its capacity as a local housing authority for the County, shall extend deadlines for housing assistance recipients and applicants to deliver records or documents related to their eligibility for programs, to the extent those deadlines are within the discretion of the LACDA.
- C. The Director of DCBA, in collaboration with the Chief Executive Office ("CEO"), shall offer assistance to the State Department of Business Oversight to engage financial institutions to identify tools to be used to afford County residents relief from the threat of residential foreclosure and displacement, and to promote housing security and stability during this state of emergency.
- D. The Director of DCBA, in collaboration with the CEO and the Acting Director of Workforce Development, Aging, and Community Services ("WDACS"),

shall convene representatives of utility and other service providers to seek a commitment from the providers to waive any late fees and forgo service disconnections for Tenants and small businesses who are suffering economic loss and hardship as a result of the COVID-19 pandemic.

- E. The Director of DCBA, the Acting Director of WDACS, and the Executive Director of LACDA shall jointly establish an emergency office dedicated to assisting businesses and employees facing economic instability as a result of the COVID-19 pandemic. The joint emergency office shall be provided all of the necessary resources by DCBA and WDACS, and should include opening a dedicated hotline to assist businesses and employees, web-based and text-based consultations, and multilingual services. The County shall provide technical assistance to businesses and employees seeking to access available programs and insurance, and shall work directly with representatives from the State and federal governments to expedite, to the extent possible, applications and claims filed by County residents.
- F. The Director of DCBA and the Executive Director of LACDA shall assist small businesses in the unincorporated areas in applying for U.S. Small Business Administration ("SBA") loans that the President announced on March 12, 2020. SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance for a small business. These SBA loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
- G. The Executive Director of LACDA, or his designee, is hereby delegated authority to amend existing guidelines for any of its existing federal, State or County funded small business loan programs, including the Community Development Block Grant ("CDBG") matching funds, and to execute all related documents to best meet the needs of small businesses being impacted by COVID- 19, consistent with guidance provided by the U.S. Economic Development Administration in a memorandum dated March 16, 2020, to Revolving Loan Fund ("RLF") Grantees for the purpose of COVID-19 and temporary deviations to RLF Administrative Plans, following approvals as to form by County Counsel.
- H. The Acting Director of WDACS shall work with the State of California, Employment Development Department, to identify additional funding and technical assistance for dislocated workers and at-risk businesses suffering economic hardship as a result of the COVID-19 pandemic. Technical assistance shall include, but not necessarily be limited to: assistance for affected workers in applying for unemployment insurance, disability insurance and paid family leave; additional business assistance for lay-off aversion and rapid response; and additional assistance to mitigate worker hardship as a result of reduced work hours or job loss due to the COVID-19 pandemic.

- I. The Director of DCBA and the Acting Director of WDACS, in collaboration with the CEO and the Executive Director of LACDA, shall create a digital toolkit for small businesses and employees to assist them in accessing available resources, including, but not limited to, disaster loans, unemployment insurance, paid family leave, disability insurance, and layoff aversion programs.
  - J. The CEO's Center for Strategic Partnerships, in collaboration with the DCBA and its Office of Immigrant Affairs, and the Acting Director of WDACS, shall convene philanthropic partners to identify opportunities to enhance resources available to all small business owners and employees who may be unable or fearful to access federal and State disaster resources, including immigrants.
  - K. The Executive Director of the Office of Immigrant Affairs, the CEO's Women + Girls Initiative, and the Department of Public Health's Center for Health Equity shall consult on the above directives to provide an immigration, gender, and health equity lens to inform the delivery of services and outreach.
  - L. The Director of DCBA, the Acting Director of WDACS, and the Executive Director of LACDA, or their respective designees, shall have the authority to enter into agreements with partner agencies and municipalities and hire and execute contracts for consultants, contractors, and other services, as needed, to provide consumer, tenant, and worker protections and support small businesses during the stated emergency to accomplish the above directives.
- XIV.** This Resolution shall take effect immediately upon its passage. Except as otherwise indicated, all provisions stated herein shall apply commencing March 4, 2020, and shall remain in effect until September 30, 2021, unless extended or repealed by the Board of Supervisors. This Resolution supersedes all previously issued resolutions and executive orders concerning an eviction moratorium or rent freeze within the County. It shall be superseded only by a duly enacted ordinance or resolution of the Board or a further executive order issued pursuant to Section 2.68.150 of the County Code.
- XV. Severability.** If any provision of this Resolution or the application thereof to any person, property, or circumstance, is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision(s) or application, and to this end, the provisions of this Resolution are declared to be severable.
- XVI. Waiver Prohibited.** Any waiver of rights under this Moratorium shall be void as contrary to public policy.

The foregoing Resolution Further Amending and Restating the Executive Order for an Eviction Moratorium was adopted on the 22nd day of June 2021, by the Board of Supervisors of the County of Los Angeles.



Board of Supervisors of the  
County of Los Angeles

By Hilda F. Solis  
Chair

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA  
County Counsel

By: Behnaz Tashakorian  
Deputy

ATTEST: CELIA ZAVALA  
EXECUTIVE OFFICER  
CLERK OF THE BOARD OF SUPERVISORS  
By: La Chelle Smithman, Deputy

## **Attachment C**

## **Al Fresco Dining and Retail Pilot Program: Temporary Use Permit, Encroachment Permit, Parking and Sidewalk Dining Permit Requirements**

The Planning Director, or their designee, shall have the authority to review and approve a Temporary Use Permit (TUP) for temporary outdoor dining and retail activities in accordance with South Pasadena Municipal Code (SPMC) Section 36.410.059. The Public Works Director, or their designee, shall have the authority to review and approve all Sidewalk Dining Permits. Use of on-street parking or street closures will be subject to a Temporary Encroachment Permit issued by the Public Works Department. The Public Works Director, or their designee, shall have the authority to review and approve the temporary use of the public right-of-way, including the parking lane, for outdoor dining and retail purposes. All temporary outdoor dining and retail activities (including personal services and health/fitness facilities) shall adhere to all applicable requirements set forth in the latest COVID-19 related order issued by the Los Angeles County Department of Public Health. All COVID-19-related permits will expire 90 days after the City's Local Emergency Declaration has been lifted.

### **Parking and Loading Spaces Reduction**

A temporary reduction of up to 50% of existing private parking or loading spaces, or as approved by the Planning Director, may be permitted to accommodate additional outdoor dining or retail activities under this program. The Public Works Director, or their designee, shall have the authority to review and approve the temporary use of the public right-of-way, including the parking lane, for outdoor dining and retail purposes. The use of a parking lane will be subject to mitigation measures, including the use of K-rated cement barricades, as outlined in a traffic management plan.

### **Outdoor Dining**

- A. Review requirement. A Temporary Use Permit is required for temporary outdoor dining or seating area for restaurants or other establishments with a public eating license. A TUP application for temporary outdoor dining or seating area shall contain a proposed site plan which shall identify the areas dedicated for outdoor dining and the maximum seating capacity for the outdoor dining area in accordance with applicable Public Health requirements. The following standards from the SPMC Section 36.350.130 (Outdoor Dining), as modified, shall be followed.
- B. Location requirements.
  1. Patron tables and other outdoor dining area components shall be located on the same site as the other facilities of the restaurant or within nearby public right-of-way.
  2. All seating shall ensure enough space to adhere to the appropriate social distancing protocols.
  3. If any portion of the outdoor dining area is to be located within a public right-of-way, an Encroachment Permit shall be obtained in compliance with the Municipal Code concurrent with the approval of a Temporary Use Permit for the outdoor dining area; or if the outdoor dining area is to be located within a sidewalk a Sidewalk Dining Permit shall be obtained.
  4. When located immediately adjacent to a residential use, provisions shall be made to minimize noise, light, and odor impacts on the residential use.

- C. Hours of operation. The hours and days of operation of the outdoor dining area shall not exceed the hours and days of operation of the primary business and shall be identified in the approved Temporary Use Permit.
- D. Lighting. Illuminated outdoor dining areas shall not result in glare onto, or direct illumination of, any residential property or use, in compliance with Section 36.300.090 (Outdoor Lighting).
- E. Alcoholic beverage sales. A restaurant that proposes to serve alcoholic beverages within an outdoor dining area shall comply with the standards established by the State Department of Alcoholic Beverage Control. The dining area shall be:
  - 1. Physically defined and clearly a part of the restaurant it serves; and
  - 2. Supervised by a restaurant employee to ensure compliance with laws regarding the on-site consumption of alcoholic beverages.
- F. Operating requirements.
  - 1. Clean-up facilities and maintenance. Outdoor dining areas shall be kept in a clean condition and free of litter and food items which constitute a nuisance to public health, safety, and welfare.
  - 2. Outdoor cooking. Cooking within an outdoor dining area may occur only with Administrative Use Permit approval issued by the Planning Director.
  - 3. Placement of tables. Tables shall be placed only in the locations shown on the approved site plan.
- G. Design compatibility. The following standards are intended to ensure compatibility with surrounding uses and a high standard of design quality wherever possible.
  - 1. Outdoor dining areas and associated structural elements, awnings, covers, furniture, umbrellas, or other physical elements which are visible from the public rights-of-way, shall be compatible with the overall design of the main structures.
  - 2. The use of awnings, plants, umbrellas, and other human scale elements is encouraged to enhance the pedestrian experience.
  - 3. The relationship of outdoor dining areas to churches, hospitals, public schools, and residential uses shall be considered by the Planning Director. Proper mitigation measures should be applied to eliminate potential impacts related to glare, light, loitering, and noise.
  - 4. Outdoor dining areas shall maintain adequate vehicular or pedestrian traffic flow.
- H. Additional standards. At the discretion of the Planning Director, the following additional standards may apply to outdoor dining areas. The applicability of these standards shall be specified in the permit approving the outdoor seating area.
  - 1. Amplified sound and music may be prohibited within the outdoor dining area.
  - 2. A sound buffering, acoustic wall may be required along property lines adjacent to the outdoor dining area. The design and height of the wall shall be approved by the Planning Director.

#### **Outdoor Display and Retail Activities.**

- A. Accessory outdoor display. Outdoor displays incidental and complementary to an allowed use on commercially or publicly zoned parcels shall be subject to the approval of a Temporary Use Permit approved by the Director, and all of the following standards, as modified from SPMC Section 36.350.140.
  - 1. Outdoor displays shall be:



- a. Compliant with to the appropriate social distancing protocols established by the Los Angeles County Department of Public Health.
  - b. Approved with a defined fixed location that does not disrupt the normal function of the site or its circulation, and does not encroach upon driveways, landscaped areas, or parking spaces, unless otherwise authorized by the Public Works Director, or their designee. Displays shall not obstruct traffic safety sight areas or otherwise create hazards for vehicle or pedestrian traffic. They shall also be placed so that the clear space for the passage of pedestrians upon the sidewalk is not reduced to less than six feet on minor arterials and eight feet on major arterials. All placement within the public right-of-way shall require the approval of a Temporary Encroachment Permit issued by the Public Works Director.
  - c. Directly related to a business occupying a permanent structure on the same site, and shall display only goods of the primary business on the same site, provided that display may extend into or enter over any public sidewalk by a maximum of two feet, where authorized by a Temporary Encroachment Permit issued by the Public Works Director;
  - d. Limited to the hours of operation of the business, be portable and removed from public view at the close of each business day.
  - e. Managed so that display structures and goods are maintained at all times in a clean and neat condition, and in good repair;
  - f. All temporary displays shall ensure enough space to adhere to the appropriate social distancing protocols; and
  - g. Placed to not block structure entrances and on-site driveways.
2. Outdoor displays shall not be:
- a. Placed within 100 feet of any residential dwelling, except for mixed-use projects; or
  - b. Placed so as to impede or interfere with the reasonable use of the store front windows for display purposes.

## **Attachment D**

**ANALYSIS**

This ordinance adds to the Los Angeles County COVID-19 Worker Protection Ordinance by adding Chapter 8.203 to Title 8 – Consumer Protection, Business and Wage Regulations – of the Los Angeles County Code, establishing a cap on fees that a food delivery platform may charge to restaurants and requiring disclosures to be made by the food delivery platform to customers.

MARY C. WICKHAM  
County Counsel

By 

JASON CARNEVALE  
Deputy County Counsel  
Government Services Division

JC:eb

Requested: 6/9/20  
Revised: 7/14/20

**ORDINANCE NO. \_\_\_\_\_**

An ordinance adding Chapter 8.203 (Food Delivery Platforms) to Division 5 – COVID-19 Worker Protections of Title 8 – Consumer Protection, Business and Wage Regulations of the Los Angeles County Code, establishing a cap on fees that a food delivery platform may charge to restaurants and requiring disclosures to be made by the food delivery platform to customers.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Chapter 8.203 is hereby added to read as follows:

**Chapter 8.203 COVID – 19 Food Delivery Platforms**

**8.203.010 Purpose.**

**8.203.020 Definitions.**

**8.203.030 Prohibitions.**

**8.203.040 Disclosures.**

**8.203.050 Enforcement.**

**8.203.060 No Waiver of Rights.**

**8.203.060 Severability.**

**8.203.070 Report.**

**8.203.010 Purpose.**

As a result of the COVID-19 pandemic, restaurants and food establishments are confronting significant economic insecurity. The Los Angeles County Health Officer's "Safer at Home" orders restricted in-person dining at restaurants leading to a surge in the use of third-party food delivery platforms. In addition to fees that may be charged to

the customer, the food delivery platforms also charge restaurants and food establishments fees, which may not be obvious or transparent to the customer. Restaurants and food establishments have limited bargaining power to negotiate lower fees with the food delivery platforms and must accept these fees or risk closure. Restaurants and food establishments are essential to the public health and welfare, particularly during the upheaval resulting from the pandemic. Therefore, the County hereby enacts legal protections for the restaurants and food establishments by addressing the fees that food delivery platforms may charge restaurants and food establishments and requiring disclosure of such fees to customers.

**8.203.020 Definitions.**

The following definitions shall apply to this Chapter:

- A. "County" means the unincorporated areas of the County of Los Angeles.
- B. "Customer" means any person, firm, or association who makes use of a Food Delivery Platform for the purpose of obtaining Food from a Restaurant.
- C. "Delivery Fee" means a fee charged by a Food Delivery Platform to a Restaurant for the act of delivering the Food from the Restaurant to a Customer. The term does not include any other fee or cost that may be charged by the Food Delivery Platform to a Restaurant, such as listing, subscription, or advertising fees, or fees related to processing an Online Order, including, but not limited to, service fees, fees for facilitating customer pick-up, and credit card processing fees.
- D. "Food" shall have the same meaning as set forth in Section 11.02.250 of the Los Angeles County Code.

E. "Food Delivery Platform" means any person, firm, or association that utilizes an online website, mobile application, or other similar presence to interact with Customers, to act as an intermediary between its Customers and a Restaurant, and offers or arranges for the sale, delivery, or pick-up of Food sold or prepared by a Restaurant located in the County.

F. "Online Order" means an order placed by a Customer through or with the assistance of a Food Delivery Platform, including telephone orders, orders made over the internet through a website, and orders made via a mobile application, for delivery to, or pick-up by, the Customer.

G. "Purchase Price" means the price for the items contained in an Online Order, minus any applicable coupon or promotional discount provided to the Customer by the Restaurant through the Food Delivery Platform. This definition does not include taxes, gratuities, or any other fees or costs that may make up the total amount charged to the Customer of an Online Order.

H. "Restaurant" shall have the same meaning as set forth in Section 8.04.400 of the Los Angeles County Code.

I. "Worker" means any person working for a Food Delivery Platform, including as an employee or an independent contractor.

#### **8.203.030 Prohibitions.**

A. It shall be unlawful for a Food Delivery Platform to charge a Restaurant any combination of fees, commissions, or costs that totals more than 20 percent of the

Purchase Price of each Online Order. Fees, commissions, or costs includes a Delivery Fee.

B. It shall be unlawful for a Food Delivery Platform to charge a Restaurant a Delivery Fee that totals more than 15 percent of the Purchase Price of each Online Order.

C. It shall be unlawful for a Food Delivery Platform to charge a Restaurant a Delivery Fee for an Online Order that does not involve the delivery of Food.

D. It shall be unlawful for a Food Delivery Platform to charge a Restaurant any fee, commission, or cost other than as permitted in Subsections A through C, above.

E. It shall be unlawful for a Food Delivery Platform to reduce the compensation, including any tip or gratuity, paid to any Worker as a result of the Prohibitions in this Chapter.

#### **8.203.040 Disclosures.**

A. A Food Delivery Platform shall disclose to the Customer an accurate, clearly identified, and itemized cost breakdown for each and every Online Order, including the following:

1. The Purchase Price of any Food.
2. Each and every fee, commission, or cost charged to the Customer.
3. Each and every fee, commission, or cost charged to the

Restaurant, including any Delivery Fee.

4. Any tip or gratuity authorized by the Customer to be paid to the Worker delivering the Food.

B. None of the fees, commissions, or costs in Subsection A, above, may be combined together.

**8.203.050 Enforcement.**

A. A Restaurant, Customer or Worker claiming a violation of this Chapter may bring an action in Superior Court of the State of California against a Food Delivery Platform and may be awarded:

1. All actual damages suffered.
2. Other legal or equitable relief the court may deem appropriate.
3. The court shall award reasonable attorneys' fees and costs to a Restaurant, Customer, or Worker who prevails in any such enforcement action. If a Restaurant, Customer, or Worker fails to prevail against a Food Delivery Platform, a court may award reasonable attorneys' fees and costs to the Food Delivery Platform upon a determination by the court that the action was frivolous.

B. A civil action alleging a violation of any provision of this Chapter shall commence only after the following requirements have been met:

1. The Restaurant, Customer or Worker provides written notice to the Food Delivery Platform of the specific Section of this Chapter which is alleged to have been violated and the facts to support the alleged violation; and
2. The Food Delivery Platform is provided 45 days from the date of receipt of the written notice to cure any alleged violation.



**8.203.060 No Waiver of Rights.**

Except for a collective bargaining agreement provision, any waiver by a Worker of any or all provisions of this Chapter shall be deemed contrary to public policy and shall be void and unenforceable. Other than in connection with the bona fide negotiation of a collective bargaining agreement, any request by a Food Delivery Platform to a Worker to waive rights given by this Chapter shall be a violation of this Chapter.

**8.203.070 Severability.**

If any subsection, sentence, clause or phrase of this Chapter is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Chapter. The Board of Supervisors hereby declares that it would have adopted this Chapter and each and every subsection, sentence, clause and phrase thereof not declared invalid or unconstitutional, without regard to whether any portion of the Chapter would be subsequently declared invalid or unconstitutional.

**8.203.080 Report.**

Within 90 days of the expiration of the "Safer at Home" order issued by the Los Angeles County Health Officer restricting indoor in-person dining at Restaurants, the Chief Executive Office shall report to the Board of Supervisors on the effectiveness of the provisions of this Chapter, recommendations for additional protections that

further the intent of this Chapter, and whether the provisions of this Chapter are still necessary based on the County's recovery from the impacts of the COVID-19 pandemic.

[CH8203CCJC]

## **Attachment E**



## Assembly Bill No. 832

### CHAPTER 27

An act to amend Sections 789.4, 1788.65, 1788.66, 1942.5, and 3273.1 of the Civil Code, to amend Sections 116.223, 871.10, 871.11, 871.12, 1161.2.5, 1179.02, 1179.03, 1179.03.5, 1179.04, 1179.05, and 1179.07 of, to amend and repeal Section 1161.2 of, and to add and repeal Chapter 6 (commencing with Section 1179.08) of Title 3 of Part 3 of, the Code of Civil Procedure, and to amend Sections 50897, 50897.1, 50897.2, 50897.3, and 50897.4 of, and to add Sections 50897.2.1 and 50897.3.1 to, the Health and Safety Code, relating to tenancy, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 2021. Filed with Secretary of State June 28, 2021.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 832, Chiu. COVID-19 relief: tenancy: federal rental assistance.

(1) Existing law prohibits a landlord from interrupting or terminating utility service furnished to a tenant with the intent to terminate the occupancy of the tenant and imposes specified penalties on a landlord who violates that prohibition. Existing law, until July 1, 2021, imposes additional damages in an amount of at least \$1,000, but not more than \$2,500, on a landlord that violates that prohibition if the tenant has provided a declaration of COVID-19 financial distress, as specified.

This bill would extend the imposition of those additional damages until October 1, 2021.

(2) Existing law regulates the activities of a person or entity that has bought charged-off consumer debt, as defined, for collection purposes and the circumstances pursuant to which the person may bring suit. Existing law, until July 1, 2021, prohibits a person from selling or assigning unpaid COVID-19 rental debt, as defined, for the time period between March 1, 2020, and June 30, 2021. Existing law also prohibits a person from selling or assigning unpaid COVID-19 rental debt, as defined, for that same time period of any person who would have qualified for rental assistance funding, provided pursuant to specified federal law, if the person's household income is at or below 80% of the area median income for the 2020 calendar year.

This bill would extend the time period to which both prohibitions against selling or assigning unpaid COVID-19 rental debt apply to September 30, 2021, and would repeal only the general prohibition on October 1, 2021. The bill would extend the calculation of the median income to the 2021 calendar year.

(3) Existing law, until July 1, 2021, prohibits a landlord from bringing an action for unlawful detainer based on a cause of action other than

nonpayment of COVID-19 rental debt, as defined, for the purpose of retaliating against the lessee because the lessee has COVID-19 rental debt.

This bill would extend this provision until October 1, 2021.

(4) Existing law, the COVID-19 Small Landlord and Homeowner Relief Act of 2020, among other things, requires that a mortgage servicer, as defined, that denies a forbearance request during the effective time period provide specified written notice to the borrower, as defined, that sets forth the specific reason or reasons that forbearance was not provided if certain conditions are met. The act defines the “effective time period” to mean the period between the operational date of the act and September 1, 2021.

This bill would extend the “effective time period” until December 1, 2021.

(5) Existing law, until July 1, 2025, provides that a small claims court has jurisdiction in any action for recovery of COVID-19 rental debt, as defined, regardless of the amount demanded. Existing law prohibits the commencement of an action to recover COVID-19 rental debt brought under these provisions before August 1, 2021.

This bill would extend these provisions until October 1, 2025. The bill would also extend the above-described prohibition on commencing an action in small claims court to recover COVID-19 rental debt until November 1, 2021.

(6) Existing law, until July 1, 2027, requires a plaintiff, in an action seeking recovery of COVID-19 rental debt, to attach to the complaint documentation showing that the plaintiff has made a good faith effort to investigate whether governmental rental assistance is available to the tenant, seek governmental rental assistance for the tenant, or cooperate with the tenant’s efforts to obtain rental assistance from any governmental entity or other third party, as specified. Existing law, until July 1, 2027, also authorizes the court to reduce the damages awarded for any amount of COVID-19 rental debt sought if the court determines that the landlord refused to obtain state rental assistance, as described below, if the tenant met the eligibility requirements and funding was available. Existing law creates an exception to that authorization within any jurisdiction that received a direct allocation of assistance from the Secretary of the Treasury pursuant to the federal Consolidated Appropriations Act, 2021 and did not accept a block grant pursuant to the rental assistance program described below, as specified. Existing law requires, subject to a certain exception, an action subject to that provision that was pending as of January 29, 2021, to be stayed until July 1, 2021.

This bill would repeal the exception to the damage reduction authorization described above, would instead require those actions to be stayed until November 1, 2021, and would extend these provisions until October 1, 2027.

Existing law, until July 1, 2025, prohibits a court from awarding attorney’s fees that exceed specified amounts, which vary based on whether the matter is contested or uncontested, in any action to recover COVID-19 rental debt,

as defined, brought as a limited or unlimited civil case under ordinary circumstances, determined as provided.

This bill would extend those provisions until October 1, 2025.

(7) Existing law, in certain actions involving the possession of real property, including unlawful detainer actions, authorizes the clerk to allow access to limited civil case records only to certain persons. Existing law authorizes the clerk to allow access to these records to any person by order of the court, if judgment is entered for the plaintiff after trial more than 60 days after filing the complaint or 60 days after the complaint has been filed, if the plaintiff prevails in the action within 60 days of filing the complaint. Until July 1, 2021, these provisions allowing access to court records to any person do not apply if the plaintiff filed the action between March 4, 2020, and June 30, 2021, and the action is based on the alleged default in the payment of rent. Subject to those provisions, until July 1, 2021, existing law authorizes the clerk to allow access to civil case records for actions seeking recovery of COVID-19 rental debt, as defined, only to certain persons.

This bill would, among other things, extend the exception described above indefinitely and would apply it to actions filed between March 4, 2020, and September 30, 2021, and would extend indefinitely the limitation on access to civil case records for actions seeking recovery of COVID-19 rental debt. The bill would require the Judicial Council to develop forms for parties to utilize in actions brought for recovery of COVID-19 rental debt.

(8) Existing law, the COVID-19 Tenant Relief Act, until July 1, 2025, establishes procedural requirements and limitations on evictions for nonpayment of rent due to COVID-19 rental debt, as defined. The act, among other things, prohibits a tenant that delivers a declaration, under penalty of perjury, of COVID-19-related financial distress from being deemed in default with regard to the COVID-19 rental debt, as specified.

The act requires that a notice that demands payment of COVID-19 rental debt served pursuant to specified law be modified, as provided. The act requires that notices provided between September 1, 2020, and June 3, 2021, comply with certain requirements, including that the notice include certain text. The act requires the Department of Real Estate to make available an official translation of that text into certain languages by no later than February 15, 2021.

This bill would extend the operation of the COVID-19 Tenant Relief Act to October 1, 2025, and would also extend operation of those requirements until September 30, 2021. The bill would also make conforming changes and would require notices described above that are served on or after July 1, 2021, to include certain text. The bill would instead require the Department of Housing and Community Development (HCD) to make available, on or before July 15, 2021, the official translation described above.

(9) Existing law establishes a program for providing rental assistance, using funding made available pursuant to the federal Consolidated Appropriations Act, 2021 (Appropriations Act), administered by HCD. Existing law, among other things, provides for the allocation of block grant

funds to localities, as defined, that meet certain population requirements. Existing law requires an eligible grantee under these provisions to request an allocation from HCD by February 12, 2021, and requires HCD to complete the initial allocation of these funds no later than February 19, 2021. Existing law authorizes eligible uses of funds allocated to grantees under these provisions, consistent with the requirements of the Appropriations Act. Existing law provides that a grantee may provide assistance for rental arrears as a payment directly to a landlord on behalf of an eligible household by entering into an agreement with the landlord, subject to specified conditions, including that compensation be set at 80% of an eligible household's unpaid rental debt accumulated from April 1, 2020, to March 31, 2021. Existing law limits funds used to provide assistance for prospective rent payments for an eligible household to 25% of the eligible household's monthly rent.

This bill would revise and recast those provisions, including revisions to the state allocation of funds. The bill would specify requirements for Round 1 and Round 2 funds, as defined. This bill would, among other things, set the compensation for an eligible household's unpaid rental debt accumulated on or after April 1, 2020 at 100%. This bill would require funds used to provide assistance for prospective rent payments for an eligible household to be set at 100% of the eligible household's monthly rent. The bill would specify requirements for grantees and eligibility for rental assistance.

This bill would enact the COVID-19 Rental Housing Recovery Act, which would, until September 30, 2024, among other things, place certain restrictions on an unlawful detainer action pertaining to residential real property that is based, in whole or in part, on nonpayment of rental debt that accumulated due to COVID-19 hardship, including by prohibiting a court from issuing a summons on a complaint for unlawful detainer that seeks possession of residential real property based on nonpayment of rental debt that accumulated due to COVID-19 hardship unless the plaintiff also files a statement, under penalty of perjury, that the plaintiff attempted to obtain rental assistance pursuant to a program described above and was denied and a copy of a final decision, as defined, from the pertinent government rental assistance program denying a rental assistance application for the property at issue in the case.

Existing law, in a legal action to recover rent or other financial obligations under a lease that accrued between April 1, 2020, and June 30, 2021, requires, before entry of judgment in the plaintiff's favor, the plaintiff to verify certain information, under penalty of perjury, relating to state rental assistance.

This bill would apply those provisions to rent or other financial obligations under a lease that accrued between April 1, 2020, and September 30, 2021.

By expanding the scope of the crime of perjury, the bill would impose a state-mandated local program.

(10) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(11) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(12) This bill would declare that it is to take effect immediately as an urgency statute.

*The people of the State of California do enact as follows:*

SECTION 1. Section 789.4 of the Civil Code is amended to read:

789.4. (a) In addition to the damages provided in subdivision (c) of Section 789.3, a landlord who violates Section 789.3, if the tenant has provided a declaration of COVID-19 financial distress pursuant to Section 1179.03 of the Code of Civil Procedure, shall be liable for damages in an amount that is at least one thousand dollars (\$1,000) but not more than two thousand five hundred dollars (\$2,500), as determined by the trier of fact.

(b) This section shall remain in effect until October 1, 2021, and as of that date is repealed.

SEC. 2. Section 1788.65 of the Civil Code is amended to read:

1788.65. (a) Notwithstanding any other law, a person shall not sell or assign any unpaid COVID-19 rental debt, as defined in Section 1179.02 of the Code of Civil Procedure, for the time period between March 1, 2020, and September 30, 2021.

(b) This section shall remain in effect until October 1, 2021, and as of that date is repealed.

SEC. 3. Section 1788.66 of the Civil Code is amended to read:

1788.66. Notwithstanding any other law, a person shall not sell or assign any unpaid COVID-19 rental debt, as defined in Section 1179.02 of the Code of Civil Procedure, for the time period between March 1, 2020, and September 30, 2021, of any person who would have qualified for rental assistance funding provided by the Secretary of the Treasury pursuant to Section 501 of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) or Section 3201 of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2), if the person's household income is at or below 80 percent of the area median income for the 2020 or 2021 calendar year.

SEC. 4. Section 1942.5 of the Civil Code, as amended by Section 5 of Chapter 2 of the Statutes of 2021, is amended to read:

1942.5. (a) If the lessor retaliates against the lessee because of the exercise by the lessee of the lessee's rights under this chapter or because of the lessee's complaint to an appropriate agency as to tenantability of a dwelling, and if the lessee of a dwelling is not in default as to the payment of rent, the lessor may not recover possession of a dwelling in any action



or proceeding, cause the lessee to quit involuntarily, increase the rent, or decrease any services within 180 days of any of the following:

(1) After the date upon which the lessee, in good faith, has given notice pursuant to Section 1942, has provided notice of a suspected bed bug infestation, or has made an oral complaint to the lessor regarding tenantability.

(2) After the date upon which the lessee, in good faith, has filed a written complaint, or an oral complaint which is registered or otherwise recorded in writing, with an appropriate agency, of which the lessor has notice, for the purpose of obtaining correction of a condition relating to tenantability.

(3) After the date of an inspection or issuance of a citation, resulting from a complaint described in paragraph (2) of which the lessor did not have notice.

(4) After the filing of appropriate documents commencing a judicial or arbitration proceeding involving the issue of tenantability.

(5) After entry of judgment or the signing of an arbitration award, if any, when in the judicial proceeding or arbitration the issue of tenantability is determined adversely to the lessor.

In each instance, the 180-day period shall run from the latest applicable date referred to in paragraphs (1) to (5), inclusive.

(b) A lessee may not invoke subdivision (a) more than once in any 12-month period.

(c) To report, or to threaten to report, the lessee or individuals known to the landlord to be associated with the lessee to immigration authorities is a form of retaliatory conduct prohibited under subdivision (a). This subdivision shall in no way limit the definition of retaliatory conduct prohibited under this section.

(d) Notwithstanding subdivision (a), it is unlawful for a lessor to increase rent, decrease services, cause a lessee to quit involuntarily, bring an action to recover possession, or threaten to do any of those acts, for the purpose of retaliating against the lessee because the lessee has lawfully organized or participated in a lessees' association or an organization advocating lessees' rights or has lawfully and peaceably exercised any rights under the law. It is also unlawful for a lessor to bring an action for unlawful detainer based on a cause of action other than nonpayment of COVID-19 rental debt, as defined in Section 1179.02 of the Code of Civil Procedure, for the purpose of retaliating against the lessee because the lessee has a COVID-19 rental debt. In an action brought by or against the lessee pursuant to this subdivision, the lessee shall bear the burden of producing evidence that the lessor's conduct was, in fact, retaliatory.

(e) To report, or to threaten to report, the lessee or individuals known to the landlord to be associated with the lessee to immigration authorities is a form of retaliatory conduct prohibited under subdivision (d). This subdivision shall in no way limit the definition of retaliatory conduct prohibited under this section.

(f) This section does not limit in any way the exercise by the lessor of the lessor's rights under any lease or agreement or any law pertaining to the

hiring of property or the lessor's right to do any of the acts described in subdivision (a) or (d) for any lawful cause. Any waiver by a lessee of the lessee's rights under this section is void as contrary to public policy.

(g) Notwithstanding subdivisions (a) to (f), inclusive, a lessor may recover possession of a dwelling and do any of the other acts described in subdivision (a) within the period or periods prescribed therein, or within subdivision (d), if the notice of termination, rent increase, or other act, and any pleading or statement of issues in an arbitration, if any, states the ground upon which the lessor, in good faith, seeks to recover possession, increase rent, or do any of the other acts described in subdivision (a) or (d). If the statement is controverted, the lessor shall establish its truth at the trial or other hearing.

(h) Any lessor or agent of a lessor who violates this section shall be liable to the lessee in a civil action for all of the following:

(1) The actual damages sustained by the lessee.

(2) Punitive damages in an amount of not less than one hundred dollars (\$100) nor more than two thousand dollars (\$2,000) for each retaliatory act where the lessor or agent has been guilty of fraud, oppression, or malice with respect to that act.

(i) In any action brought for damages for retaliatory eviction, the court shall award reasonable attorney's fees to the prevailing party if either party requests attorney's fees upon the initiation of the action.

(j) The remedies provided by this section shall be in addition to any other remedies provided by statutory or decisional law.

(k) A lessor does not violate subdivision (c) or (e) by complying with any legal obligation under any federal government program that provides for rent limitations or rental assistance to a qualified tenant.

(l) This section shall remain in effect until October 1, 2021, and as of that date is repealed.

SEC. 5. Section 1942.5 of the Civil Code, as amended by Section 6 of Chapter 2 of the Statutes of 2021, is amended to read:

1942.5. (a) If the lessor retaliates against the lessee because of the exercise by the lessee of the lessee's rights under this chapter or because of the lessee's complaint to an appropriate agency as to tenantability of a dwelling, and if the lessee of a dwelling is not in default as to the payment of rent, the lessor may not recover possession of a dwelling in any action or proceeding, cause the lessee to quit involuntarily, increase the rent, or decrease any services within 180 days of any of the following:

(1) After the date upon which the lessee, in good faith, has given notice pursuant to Section 1942, has provided notice of a suspected bed bug infestation, or has made an oral complaint to the lessor regarding tenantability.

(2) After the date upon which the lessee, in good faith, has filed a written complaint, or an oral complaint which is registered or otherwise recorded in writing, with an appropriate agency, of which the lessor has notice, for the purpose of obtaining correction of a condition relating to tenantability.

(3) After the date of an inspection or issuance of a citation, resulting from a complaint described in paragraph (2) of which the lessor did not have notice.

(4) After the filing of appropriate documents commencing a judicial or arbitration proceeding involving the issue of tenantability.

(5) After entry of judgment or the signing of an arbitration award, if any, when in the judicial proceeding or arbitration the issue of tenantability is determined adversely to the lessor.

In each instance, the 180-day period shall run from the latest applicable date referred to in paragraphs (1) to (5), inclusive.

(b) A lessee may not invoke subdivision (a) more than once in any 12-month period.

(c) To report, or to threaten to report, the lessee or individuals known to the landlord to be associated with the lessee to immigration authorities is a form of retaliatory conduct prohibited under subdivision (a). This subdivision shall in no way limit the definition of retaliatory conduct prohibited under this section.

(d) Notwithstanding subdivision (a), it is unlawful for a lessor to increase rent, decrease services, cause a lessee to quit involuntarily, bring an action to recover possession, or threaten to do any of those acts, for the purpose of retaliating against the lessee because the lessee has lawfully organized or participated in a lessees' association or an organization advocating lessees' rights or has lawfully and peaceably exercised any rights under the law. In an action brought by or against the lessee pursuant to this subdivision, the lessee shall bear the burden of producing evidence that the lessor's conduct was, in fact, retaliatory.

(e) To report, or to threaten to report, the lessee or individuals known to the landlord to be associated with the lessee to immigration authorities is a form of retaliatory conduct prohibited under subdivision (d). This subdivision shall in no way limit the definition of retaliatory conduct prohibited under this section.

(f) This section does not limit in any way the exercise by the lessor of the lessor's rights under any lease or agreement or any law pertaining to the hiring of property or the lessor's right to do any of the acts described in subdivision (a) or (d) for any lawful cause. Any waiver by a lessee of the lessee's rights under this section is void as contrary to public policy.

(g) Notwithstanding subdivisions (a) to (f), inclusive, a lessor may recover possession of a dwelling and do any of the other acts described in subdivision (a) within the period or periods prescribed therein, or within subdivision (d), if the notice of termination, rent increase, or other act, and any pleading or statement of issues in an arbitration, if any, states the ground upon which the lessor, in good faith, seeks to recover possession, increase rent, or do any of the other acts described in subdivision (a) or (d). If the statement is controverted, the lessor shall establish its truth at the trial or other hearing.

(h) Any lessor or agent of a lessor who violates this section shall be liable to the lessee in a civil action for all of the following:

(1) The actual damages sustained by the lessee.

(2) Punitive damages in an amount of not less than one hundred dollars (\$100) nor more than two thousand dollars (\$2,000) for each retaliatory act where the lessor or agent has been guilty of fraud, oppression, or malice with respect to that act.

(i) In any action brought for damages for retaliatory eviction, the court shall award reasonable attorney's fees to the prevailing party if either party requests attorney's fees upon the initiation of the action.

(j) The remedies provided by this section shall be in addition to any other remedies provided by statutory or decisional law.

(k) A lessor does not violate subdivision (c) or (e) by complying with any legal obligation under any federal government program that provides for rent limitations or rental assistance to a qualified tenant.

(l) This section shall become operative on October 1, 2021.

SEC. 6. Section 3273.1 of the Civil Code is amended to read:

3273.1. For purposes of this title:

(a) (1) "Borrower" means any of the following:

(A) A natural person who is a mortgagor or trustor or a confirmed successor in interest, as defined in Section 1024.31 of Title 12 of the Code of Federal Regulations.

(B) An entity other than a natural person only if the secured property contains no more than four dwelling units and is currently occupied by one or more residential tenants.

(2) "Borrower" shall not include an individual who has surrendered the secured property as evidenced by either a letter confirming the surrender or delivery of the keys to the property to the mortgagee, trustee, beneficiary, or authorized agent.

(3) Unless the property securing the mortgage contains one or more deed-restricted affordable housing units or one or more affordable housing units subject to a regulatory restriction limiting rental rates that is contained in an agreement with a government agency, the following mortgagors shall not be considered a "borrower":

(A) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.

(B) A corporation.

(C) A limited liability company in which at least one member is a corporation.

(4) "Borrower" shall also mean a person who holds a power of attorney for a borrower described in paragraph (1).

(b) "Effective time period" means the time period between the operational date of this title and December 1, 2021.

(c) (1) "Mortgage servicer" or "lienholder" means a person or entity who directly services a loan or who is responsible for interacting with the borrower, managing the loan account on a daily basis, including collecting and crediting periodic loan payments, managing any escrow account, or enforcing the note and security instrument, either as the current owner of the promissory note or as the current owner's authorized agent.

(2) “Mortgage servicer” or “lienholder” also means a subservicing agent to a master servicer by contract.

(3) “Mortgage servicer” shall not include a trustee, or a trustee’s authorized agent, acting under a power of sale pursuant to a deed of trust.

SEC. 7. Section 116.223 of the Code of Civil Procedure is amended to read:

116.223. (a) The Legislature hereby finds and declares as follows:

(1) There is anticipated to be an unprecedented number of claims arising out of nonpayment of residential rent that occurred between March 1, 2020, and September 30, 2021, related to the COVID-19 pandemic.

(2) These disputes are of special importance to the parties and of significant social and economic consequence collectively as the people of the State of California grapple with the health, economic, and social impacts of the COVID-19 pandemic.

(3) It is essential that the parties have access to a judicial forum to resolve these disputes expeditiously, inexpensively, and fairly.

(4) It is the intent of the Legislature that landlords of residential real property and their tenants have the option to litigate disputes regarding rent which is unpaid for the time period between March 1, 2020, and September 30, 2021, in the small claims court. It is the intent of the Legislature that the jurisdictional limits of the small claims court not apply to these disputes over COVID-19 rental debt.

(b) (1) Notwithstanding paragraph (1) of subdivision (a) Section 116.220, Section 116.221, or any other law, the small claims court has jurisdiction in any action for recovery of COVID-19 rental debt, as defined in Section 1179.02, and any defenses thereto, regardless of the amount demanded.

(2) In an action described in paragraph (1), the court shall reduce the damages awarded for any amount of COVID-19 rental debt sought by payments made to the landlord to satisfy the COVID-19 rental debt, including payments by the tenant, rental assistance programs, or another third party pursuant to paragraph (3) of subdivision (a) of Section 1947.3 of the Civil Code.

(3) An action to recover COVID-19 rental debt, as defined in Section 1179.02, brought pursuant to this subdivision shall not be commenced before November 1, 2021.

(c) Any claim for recovery of COVID-19 rental debt, as defined in Section 1179.02, shall not be subject to Section 116.231, notwithstanding the fact that a landlord of residential rental property may have brought two or more small claims actions in which the amount demanded exceeded two thousand five hundred dollars (\$2,500) in any calendar year.

(d) This section shall remain in effect until October 1, 2025, and as of that date is repealed.

SEC. 8. Section 871.10 of the Code of Civil Procedure is amended to read:

871.10. (a) In any action seeking recovery of COVID-19 rental debt, as defined in Section 1179.02, the plaintiff shall, in addition to any other requirements provided by law, attach to the complaint documentation



showing that the plaintiff has made a good faith effort to investigate whether governmental rental assistance is available to the tenant, seek governmental rental assistance for the tenant, or cooperate with the tenant's efforts to obtain rental assistance from any governmental entity, or other third party pursuant to paragraph (3) of subdivision (a) of Section 1947.3 of the Civil Code.

(b) In an action subject to subdivision (a), the court may reduce the damages awarded for any amount of COVID-19 rental debt, as defined in Section 1179.02, sought if the court determines that the landlord refused to obtain rental assistance from the state rental assistance program created pursuant to Chapter 17 (commencing with Section 50897) of Part 2 of Division 31 of the Health and Safety Code, if the tenant met the eligibility requirements and funding was available.

(c) An action to recover COVID-19 rental debt, as defined in Section 1179.02, that is subject to this section shall not be commenced before November 1, 2021.

(d) Subdivisions (a) through (c), inclusive, shall not apply to an action to recover COVID-19 rental debt, as defined in Section 1179.02, that was pending before the court as of January 29, 2021.

(e) Except as provided in subdivision (g), any action to recover COVID-19 rental debt, as defined in Section 1179.02, that is subject to this section and is pending before the court as of January 29, 2021, shall be stayed until November 1, 2021.

(f) This section shall not apply to any unlawful detainer action to recover possession pursuant to Section 1161.

(g) (1) Actions for breach of contract to recover rental debt that were filed before October 1, 2020, shall not be stayed and may proceed.

(2) This subdivision does not apply to actions filed against any person who would have qualified under the rental assistance funding provided through the Secretary of the Treasury pursuant to Section 501 of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) if the person's household income is at or below 80 percent of the area median income for the 2020 or 2021 calendar year.

SEC. 9. Section 871.11 of the Code of Civil Procedure is amended to read:

871.11. (a) Notwithstanding any other law, in any action to recover COVID-19 rental debt, as defined in Section 1179.02, brought as a limited or unlimited civil case, the court shall not, under ordinary circumstances, award reasonable attorneys' fees to a prevailing party that exceed the following amounts:

- (1) If the matter is uncontested, five hundred dollars (\$500).
- (2) If the matter is contested, one thousand dollars (\$1,000).

(b) In determining whether a case was litigated under ordinary circumstances, the court may consider the following:

- (1) The number and complexity of pretrial and posttrial motions.
- (2) The nature and extent of any discovery performed.
- (3) Whether the case was tried by jury or by the court.

(4) The length of the trial.

(5) Any other factor the court, in its discretion, finds relevant, including whether the tenant or the landlord, or both the tenant and the landlord, would have been eligible to receive a rental assistance payment from the governmental entity, or other third party pursuant to paragraph (3) of subdivision (a) of Section 1947.3 of the Civil Code.

(c) Nothing in this section shall be interpreted to entitle the prevailing party to an award of reasonable attorneys' fees if that award is not otherwise provided for by law or agreement.

(d) This section shall remain in effect until October 1, 2025, and as of that date is repealed.

SEC. 10. Section 871.12 of the Code of Civil Procedure is amended to read:

871.12. This chapter shall remain in effect until October 1, 2027, and as of the date is repealed.

SEC. 11. Section 1161.2 of the Code of Civil Procedure, as amended by Section 11 of Chapter 2 of the Statutes of 2021, is amended to read:

1161.2. (a) (1) The clerk shall allow access to limited civil case records filed under this chapter, including the court file, index, and register of actions, only as follows:

(A) To a party to the action, including a party's attorney.

(B) To a person who provides the clerk with the names of at least one plaintiff and one defendant and the address of the premises, including the apartment or unit number, if any.

(C) To a resident of the premises who provides the clerk with the name of one of the parties or the case number and shows proof of residency.

(D) To a person by order of the court, which may be granted ex parte, on a showing of good cause.

(E) Except as provided in subparagraph (G), to any person by order of the court if judgment is entered for the plaintiff after trial more than 60 days since the filing of the complaint. The court shall issue the order upon issuing judgment for the plaintiff.

(F) Except as provided in subparagraph (G), to any other person 60 days after the complaint has been filed if the plaintiff prevails in the action within 60 days of the filing of the complaint, in which case the clerk shall allow access to any court records in the action. If a default or default judgment is set aside more than 60 days after the complaint has been filed, this section shall apply as if the complaint had been filed on the date the default or default judgment is set aside.

(G) (i) In the case of a complaint involving residential property based on Section 1161a as indicated in the caption of the complaint, as required in subdivision (c) of Section 1166, to any other person, if 60 days have elapsed since the complaint was filed with the court, and, as of that date, judgment against all defendants has been entered for the plaintiff, after a trial.

(ii) Subparagraphs (E) and (F) shall not apply if the plaintiff filed the action between March 4, 2020, and September 30, 2021, and the action is based on an alleged default in the payment of rent.

(2) This section shall not be construed to prohibit the court from issuing an order that bars access to the court record in an action filed under this chapter if the parties to the action so stipulate.

(b) (1) For purposes of this section, “good cause” includes, but is not limited to, both of the following:

(A) The gathering of newsworthy facts by a person described in Section 1070 of the Evidence Code.

(B) The gathering of evidence by a party to an unlawful detainer action solely for the purpose of making a request for judicial notice pursuant to subdivision (d) of Section 452 of the Evidence Code.

(2) It is the intent of the Legislature that a simple procedure be established to request the ex parte order described in subparagraph (D) of paragraph (1) of subdivision (a).

(c) Upon the filing of a case so restricted, the court clerk shall mail notice to each defendant named in the action. The notice shall be mailed to the address provided in the complaint. The notice shall contain a statement that an unlawful detainer complaint (eviction action) has been filed naming that party as a defendant, and that access to the court file will be delayed for 60 days except to a party, an attorney for one of the parties, or any other person who (1) provides to the clerk the names of at least one plaintiff and one defendant in the action and provides to the clerk the address, including any applicable apartment, unit, or space number, of the subject premises, or (2) provides to the clerk the name of one of the parties in the action or the case number and can establish through proper identification that the person lives at the subject premises. The notice shall also contain a statement that access to the court index, register of actions, or other records is not permitted until 60 days after the complaint is filed, except pursuant to an order upon a showing of good cause for access. The notice shall contain on its face the following information:

(1) The name and telephone number of the county bar association.

(2) The name and telephone number of any entity that requests inclusion on the notice and demonstrates to the satisfaction of the court that it has been certified by the State Bar of California as a lawyer referral service and maintains a panel of attorneys qualified in the practice of landlord-tenant law pursuant to the minimum standards for a lawyer referral service established by the State Bar of California and Section 6155 of the Business and Professions Code.

(3) The following statement:

“The State Bar of California certifies lawyer referral services in California and publishes a list of certified lawyer referral services organized by county. To locate a lawyer referral service in your county, go to the State Bar’s internet website at [www.calbar.ca.gov](http://www.calbar.ca.gov) or call 1-866-442-2529.”



(4) The name and telephone number of an office or offices funded by the federal Legal Services Corporation or qualified legal services projects that receive funds distributed pursuant to Section 6216 of the Business and Professions Code that provide legal services to low-income persons in the county in which the action is filed. The notice shall state that these telephone numbers may be called for legal advice regarding the case. The notice shall be issued between 24 and 48 hours of the filing of the complaint, excluding weekends and holidays. One copy of the notice shall be addressed to “all occupants” and mailed separately to the subject premises. The notice shall not constitute service of the summons and complaint.

(5) The following statement, for a notice sent out pursuant to this section between October 1, 2021 and March 31, 2022:

“IMPORTANT NOTICE FROM THE STATE OF CALIFORNIA – YOU MUST TAKE ACTION TO AVOID AN EVICTION: As part of the state’s COVID-19 relief plan, money has been set aside to help renters who have fallen behind on rent or utility payments.

If you are behind on rent or utility payments, YOU SHOULD COMPLETE A RENTAL ASSISTANCE APPLICATION IMMEDIATELY! It is free and simple to apply. Citizenship or immigration status does not matter.

You can find out how to start your application by calling 1-833-430-2122 or visiting <http://housingiskey.com> right away.”

(d) Notwithstanding any other law, the court shall charge an additional fee of fifteen dollars (\$15) for filing a first appearance by the plaintiff. This fee shall be added to the uniform filing fee for actions filed under this chapter.

(e) This section does not apply to a case that seeks to terminate a mobilehome park tenancy if the statement of the character of the proceeding in the caption of the complaint clearly indicates that the complaint seeks termination of a mobilehome park tenancy.

(f) This section does not alter any provision of the Evidence Code.

SEC. 12. Section 1161.2 of the Code of Civil Procedure, as amended by Section 12 of Chapter 2 of the Statutes of 2021, is repealed.

SEC. 13. Section 1161.2.5 of the Code of Civil Procedure is amended to read:

1161.2.5. (a) (1) Except as provided in Section 1161.2, the clerk shall allow access to civil case records for actions seeking recovery of COVID-19 rental debt, as defined in Section 1179.02, including the court file, index, and register of actions, only as follows:

(A) To a party to the action, including a party’s attorney.

(B) To a person who provides the clerk with the names of at least one plaintiff and one defendant.

(C) To a resident of the premises for which the COVID-19 rental debt is owed who provides the clerk with the name of one of the parties or the case number and shows proof of residency.

(D) To a person by order of the court, which may be granted ex parte, on a showing of good cause.

(2) To give the court notice that access to the records in an action is limited, any complaint or responsive pleading in a case subject to this section shall include on either the first page of the pleading or a cover page, the phrase “ACTION FOR RECOVERY OF COVID-19 RENTAL DEBT AS DEFINED UNDER SECTION 1179.02” in bold, capital letters, in 12 point or larger font.

(3) The Judicial Council shall develop forms for parties to utilize in actions brought pursuant to Section 116.223 and in civil actions for recovery of COVID-19 rental debt as defined in Section 1179.02. The forms shall provide prominent notice on the first page that access to the records in the case is limited pursuant to this section.

(b) (1) For purposes of this section, “good cause” includes, but is not limited to, both of the following:

(A) The gathering of newsworthy facts by a person described in Section 1070 of the Evidence Code.

(B) The gathering of evidence by a party to a civil action solely for the purpose of making a request for judicial notice pursuant to subdivision (d) of Section 452 of the Evidence Code.

(2) It is the intent of the Legislature that a simple procedure be established to request the ex parte order described in subparagraph (D) of paragraph (1) of subdivision (a).

(c) This section does not alter any provision of the Evidence Code.

SEC. 14. Section 1179.02 of the Code of Civil Procedure is amended to read:

1179.02. For purposes of this chapter:

(a) “Covered time period” means the time period between March 1, 2020, and September 30, 2021.

(b) “COVID-19-related financial distress” means any of the following:

(1) Loss of income caused by the COVID-19 pandemic.

(2) Increased out-of-pocket expenses directly related to performing essential work during the COVID-19 pandemic.

(3) Increased expenses directly related to the health impact of the COVID-19 pandemic.

(4) Childcare responsibilities or responsibilities to care for an elderly, disabled, or sick family member directly related to the COVID-19 pandemic that limit a tenant’s ability to earn income.

(5) Increased costs for childcare or attending to an elderly, disabled, or sick family member directly related to the COVID-19 pandemic.

(6) Other circumstances related to the COVID-19 pandemic that have reduced a tenant’s income or increased a tenant’s expenses.

(c) “COVID-19 rental debt” means unpaid rent or any other unpaid financial obligation of a tenant under the tenancy that came due during the covered time period.

(d) “Declaration of COVID-19-related financial distress” means the following written statement:

I am currently unable to pay my rent or other financial obligations under the lease in full because of one or more of the following:

1. Loss of income caused by the COVID-19 pandemic.
2. Increased out-of-pocket expenses directly related to performing essential work during the COVID-19 pandemic.
3. Increased expenses directly related to health impacts of the COVID-19 pandemic.
4. Childcare responsibilities or responsibilities to care for an elderly, disabled, or sick family member directly related to the COVID-19 pandemic that limit my ability to earn income.
5. Increased costs for childcare or attending to an elderly, disabled, or sick family member directly related to the COVID-19 pandemic.
6. Other circumstances related to the COVID-19 pandemic that have reduced my income or increased my expenses.

Any public assistance, including unemployment insurance, pandemic unemployment assistance, state disability insurance (SDI), or paid family leave, that I have received since the start of the COVID-19 pandemic does not fully make up for my loss of income and/or increased expenses.

Signed under penalty of perjury:

Dated:

(e) "Landlord" includes all of the following or the agent of any of the following:

- (1) An owner of residential real property.
- (2) An owner of a residential rental unit.
- (3) An owner of a mobilehome park.
- (4) An owner of a mobilehome park space or lot.

(f) "Protected time period" means the time period between March 1, 2020, and August 31, 2020.

(g) "Rental payment" means rent or any other financial obligation of a tenant under the tenancy.

(h) "Tenant" means any natural person who hires real property except any of the following:

(1) Tenants of commercial property, as defined in subdivision (c) of Section 1162 of the Civil Code.

(2) Those persons whose occupancy is described in subdivision (b) of Section 1940 of the Civil Code.

(i) "Transition time period" means the time period between September 1, 2020, and September 30, 2021.

SEC. 15. Section 1179.03 of the Code of Civil Procedure is amended to read:

1179.03. (a) (1) Any notice that demands payment of COVID-19 rental debt served pursuant to subdivision (e) of Section 798.56 of the Civil Code or paragraph (2) or (3) of Section 1161 shall be modified as required by this section. A notice which does not meet the requirements of this section, regardless of when the notice was issued, shall not be sufficient to establish a cause of action for unlawful detainer or a basis for default judgment.

(2) Any case based solely on a notice that demands payment of COVID-19 rental debt served pursuant to subdivision (e) of Section 798.56 of the Civil Code or paragraph (2) or (3) of Section 1161 may be dismissed if the notice does not meet the requirements of this section, regardless of when the notice was issued.

(3) Notwithstanding paragraphs (1) and (2), this section shall have no effect if the landlord lawfully regained possession of the property or obtained a judgment for possession of the property before the operative date of this section.

(b) If the notice demands payment of rent that came due during the protected time period, as defined in Section 1179.02, the notice shall comply with all of the following:

(1) The time period in which the tenant may pay the amount due or deliver possession of the property shall be no shorter than 15 days, excluding Saturdays, Sundays, and other judicial holidays.

(2) The notice shall set forth the amount of rent demanded and the date each amount became due.

(3) The notice shall advise the tenant that the tenant cannot be evicted for failure to comply with the notice if the tenant delivers a signed declaration of COVID-19-related financial distress to the landlord on or before the date that the notice to pay rent or quit or notice to perform covenants or quit expires, by any of the methods specified in subdivision (f).

(4) The notice shall include the following text in at least 12-point font:  
 “NOTICE FROM THE STATE OF CALIFORNIA: If you are unable to pay the amount demanded in this notice, and have decreased income or increased expenses due to COVID-19, your landlord will not be able to evict you for this missed payment if you sign and deliver the declaration form included with your notice to your landlord within 15 days, excluding Saturdays, Sundays, and other judicial holidays, but you will still owe this money to your landlord. If you do not sign and deliver the declaration within this time period, you may lose the eviction protections available to you. You must return this form to be protected. You should keep a copy or picture of the signed form for your records.

You will still owe this money to your landlord and can be sued for the money, but you cannot be evicted from your home if you comply with these requirements. You should keep careful track of what you have paid and any amount you still owe to protect your rights and avoid future disputes. Failure to respond to this notice may result in an unlawful detainer action (eviction) being filed against you.

For information about legal resources that may be available to you, visit [lawhelpca.org](http://lawhelpca.org).”

(c) If the notice demands payment of rent that came due during the transition time period, as defined in Section 1179.02, the notice shall comply with all of the following:

(1) The time period in which the tenant may pay the amount due or deliver possession of the property shall be no shorter than 15 days, excluding Saturdays, Sundays, and other judicial holidays.

(2) The notice shall set forth the amount of rent demanded and the date each amount became due.

(3) The notice shall advise the tenant that the tenant will not be evicted for failure to comply with the notice, except as allowed by this chapter, if the tenant delivers a signed declaration of COVID-19-related financial distress to the landlord on or before the date the notice to pay rent or quit or notice to perform covenants or quit expires, by any of the methods specified in subdivision (f).

(4) For notices served before February 1, 2021, the notice shall include the following text in at least 12-point type:

“NOTICE FROM THE STATE OF CALIFORNIA: If you are unable to pay the amount demanded in this notice, and have decreased income or increased expenses due to COVID-19, you may sign and deliver the declaration form included with your notice to your landlord within 15 days, excluding Saturdays, Sundays, and other judicial holidays, and your landlord will not be able to evict you for this missed payment so long as you make the minimum payment (see below). You will still owe this money to your landlord. You should keep a copy or picture of the signed form for your records.

If you provide the declaration form to your landlord as described above AND, on or before January 31, 2021, you pay an amount that equals at least 25 percent of each rental payment that came due or will come due during the period between September 1, 2020, and January 31, 2021, that you were unable to pay as a result of decreased income or increased expenses due to COVID-19, your landlord cannot evict you. Your landlord may require you to submit a new declaration form for each rental payment that you do not pay that comes due between September 1, 2020, and January 31, 2021.

For example, if you provided a declaration form to your landlord regarding your decreased income or increased expenses due to COVID-19 that prevented you from making your rental payment in September and October of 2020, your landlord could not evict you if, on or before January 31, 2021, you made a payment equal to 25 percent of September’s and October’s rental payment (i.e., half a month’s rent). If you were unable to pay any of the rental payments that came due between September 1, 2020, and January 31, 2021, and you provided your landlord with the declarations in response to each 15-day notice your landlord sent to you during that time period, your landlord could not evict you if, on or before January 31, 2021, you paid your landlord an amount equal to 25 percent of all the rental payments due from September through January (i.e., one and a quarter month’s rent).

You will still owe the full amount of the rent to your landlord, but you cannot be evicted from your home if you comply with these requirements. You should keep careful track of what you have paid and any amount you still owe to protect your rights and avoid future disputes. Failure to respond to this notice may result in an unlawful detainer action (eviction) being filed against you.

For information about legal resources that may be available to you, visit [lawhelpca.org](http://lawhelpca.org).”

(5) For notices served on or after February 1, 2021, and before July 1, 2021, the notice shall include the following text in at least 12-point type:

“NOTICE FROM THE STATE OF CALIFORNIA: If you are unable to pay the amount demanded in this notice, and have decreased income or increased expenses due to COVID-19, you may sign and deliver the declaration form included with your notice to your landlord within 15 days, excluding Saturdays, Sundays, and other judicial holidays, and your landlord will not be able to evict you for this missed payment so long as you make the minimum payment (see below). You will still owe this money to your landlord. You should keep a copy or picture of the signed form for your records.

If you provide the declaration form to your landlord as described above AND, on or before June 30, 2021, you pay an amount that equals at least 25 percent of each rental payment that came due or will come due during the period between September 1, 2020, and June 30, 2021, that you were unable to pay as a result of decreased income or increased expenses due to COVID-19, your landlord cannot evict you. Your landlord may require you to submit a new declaration form for each rental payment that you do not pay that comes due between September 1, 2020, and June 30, 2021.

If you were unable to pay any of the rental payments that came due between September 1, 2020, and June 30, 2021, and you provided your landlord with the declarations in response to each 15-day notice your landlord sent to you during that time period, your landlord could not evict you if, on or before June 30, 2021, you paid your landlord an amount equal to 25 percent of all the rental payments due from September 2020 through June 2021.

You will still owe the full amount of the rent to your landlord, but you cannot be evicted from your home if you comply with these requirements. You should keep careful track of what you have paid and any amount you still owe to protect your rights and avoid future disputes. Failure to respond to this notice may result in an unlawful detainer action (eviction) being filed against you.

**YOU MAY QUALIFY FOR RENTAL ASSISTANCE.** In addition to extending these eviction protections, the State of California, in partnership with federal and local governments, has created an emergency rental assistance program to assist renters who have been unable to pay their rent and utility bills as a result of the COVID-19 pandemic. This program may be able to help you get caught up with past-due rent. Additionally, depending on the availability of funds, the program may also be able to assist you with making future rental payments.

While not everyone will qualify for this assistance, you can apply for it regardless of your citizenship or immigration status. There is no charge to apply for or receive this assistance.

Additional information about the extension of the COVID-19 Tenant Relief Act and new state or local rental assistance programs, including more information about how to qualify for assistance, can be found by visiting <http://housingiskey.com> or by calling 1-833-422-4255.

(6) For notices served on or after July 1, 2021, the notice shall include the following text in at least 12-point type:

**NOTICE FROM THE STATE OF CALIFORNIA – YOU MUST TAKE ACTION TO AVOID EVICTION.** If you are unable to pay the amount demanded in this notice because of the COVID-19 pandemic, you should take action right away.

**IMMEDIATELY:** Sign and return the declaration form included with your notice to your landlord within 15 days, excluding Saturdays, Sundays, and other judicial holidays. Sign and return the declaration even if you have done this before. You should keep a copy or a picture of the signed form for your records.

**BEFORE SEPTEMBER 30, 2021:** Pay your landlord at least 25 percent of any rent you missed between September 1, 2020, and September 30, 2021. If you need help paying that amount, apply for rental assistance. You will still owe the rest of the rent to your landlord, but as long as you pay 25 percent by September 30, 2021, your landlord will not be able to evict you for failing to pay the rest of the rent. You should keep careful track of what you have paid and any amount you still owe to protect your rights and avoid future disputes.

**AS SOON AS POSSIBLE:** Apply for rental assistance! As part of California’s COVID-19 relief plan, money has been set aside to help renters who have fallen behind on rent or utility payments. If you are behind on rent or utility payments, **YOU SHOULD COMPLETE A RENTAL ASSISTANCE APPLICATION IMMEDIATELY!** It is free and simple to apply. Citizenship or immigration status does not matter. You can find out how to start your application by calling 1-833-430-2122 or visiting <http://housingiskey.com> right away.

(d) An unsigned copy of a declaration of COVID-19-related financial distress shall accompany each notice delivered to a tenant to which subdivision (b) or (c) is applicable. If the landlord was required, pursuant to Section 1632 of the Civil Code, to provide a translation of the rental contract or agreement in the language in which the contract or agreement was negotiated, the landlord shall also provide the unsigned copy of a declaration of COVID-19-related financial distress to the tenant in the language in which the contract or agreement was negotiated. The Department of Housing and Community Development shall make available an official translation of the text required by paragraph (4) of subdivision (b) and paragraphs (4) to (6), inclusive, of subdivision (c) in the languages specified in Section 1632 of the Civil Code by no later than July 15, 2021.

(e) If a tenant owes a COVID-19 rental debt to which both subdivisions (b) and (c) apply, the landlord shall serve two separate notices that comply with subdivisions (b) and (c), respectively.

(f) A tenant may deliver the declaration of COVID-19-related financial distress to the landlord by any of the following methods:



(1) In person, if the landlord indicates in the notice an address at which the declaration may be delivered in person.

(2) By electronic transmission, if the landlord indicates an email address in the notice to which the declaration may be delivered.

(3) Through United States mail to the address indicated by the landlord in the notice. If the landlord does not provide an address pursuant to subparagraph (1), then it shall be conclusively presumed that upon the mailing of the declaration by the tenant to the address provided by the landlord, the declaration is deemed received by the landlord on the date posted, if the tenant can show proof of mailing to the address provided by the landlord.

(4) Through any of the same methods that the tenant can use to deliver the payment pursuant to the notice if delivery of the declaration by that method is possible.

(g) Except as provided in Section 1179.02.5, the following shall apply to a tenant who, within 15 days of service of the notice specified in subdivision (b) or (c), excluding Saturdays, Sundays, and other judicial holidays, demanding payment of COVID-19 rental debt delivers a declaration of COVID-19-related financial distress to the landlord by any of the methods provided in subdivision (f):

(1) With respect to a notice served pursuant to subdivision (b), the tenant shall not then or thereafter be deemed to be in default with regard to that COVID-19 rental debt for purposes of subdivision (e) of Section 798.56 of the Civil Code or paragraphs (2) and (3) of Section 1161.

(2) With respect to a notice served pursuant to subdivision (c), the following shall apply:

(A) Except as provided by subparagraph (B), the landlord may not initiate an unlawful detainer action before October 1, 2021.

(B) A tenant shall not be guilty of unlawful detainer, now or in the future, based upon nonpayment of COVID-19 rental debt that came due during the transition period if, on or before September 30, 2021, the tenant tenders one or more payments that, when taken together, are of an amount equal to or not less than 25 percent of each transition period rental payment demanded in one or more notices served pursuant to subdivision (c) and for which the tenant complied with this subdivision by timely delivering a declaration of COVID-19-related financial distress to the landlord.

(h) (1) (A) Within the time prescribed in Section 1167, a tenant shall be permitted to file a signed declaration of COVID-19-related financial distress with the court.

(B) If the tenant files a signed declaration of COVID-19-related financial distress with the court pursuant to this subdivision, the court shall dismiss the case, pursuant to paragraph (2), if the court finds, after a noticed hearing on the matter, that the tenant's failure to return a declaration of COVID-19-related financial distress within the time required by subdivision (g) was the result of mistake, inadvertence, surprise, or excusable neglect, as those terms have been interpreted under subdivision (b) of Section 473.



(C) The noticed hearing required by this paragraph shall be held with not less than five days' notice and not more than 10 days' notice, to be given by the court, and may be held separately or in conjunction with any regularly noticed hearing in the case, other than a trial.

(2) If the court dismisses the case pursuant to paragraph (1), that dismissal shall be without prejudice as follows:

(A) If the case was based in whole or in part upon a notice served pursuant to subdivision (b), the court shall dismiss any cause of action based on the notice served pursuant to subdivision (b).

(B) Before October 1, 2021, if the case is based in whole or in part on a notice served pursuant to subdivision (c), the court shall dismiss any cause of action based on the notice served pursuant to subdivision (c).

(C) On or after October 1, 2021, if the case is based in whole or in part on a notice served pursuant to subdivision (c), the court shall dismiss any cause of action based upon the notice served pursuant to subdivision (c) if the tenant, within five days of the court's order to do so, makes the payment required by subparagraph (B) of paragraph (2) of subdivision (g), provided that if the fifth day falls on a Saturday, Sunday, or judicial holiday the last day to pay shall be extended to the next court day.

(3) If the court dismisses the case pursuant to this subdivision, the tenant shall not be considered the prevailing party for purposes of Section 1032, any attorney's fee provision appearing in contract or statute, or any other law.

(i) Notwithstanding any other law, a notice which is served pursuant to subdivision (b) or (c) that complies with the requirements of this chapter and subdivision (e) of Section 798.56 of the Civil Code or paragraphs (2) and (3) of Section 1161, as applicable, need not include specific language required by any ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county.

SEC. 16. Section 1179.03.5 of the Code of Civil Procedure is amended to read:

1179.03.5. (a) Before October 1, 2021, a court may not find a tenant guilty of an unlawful detainer unless it finds that one of the following applies:

(1) The tenant was guilty of the unlawful detainer before March 1, 2020.

(2) In response to service of a notice demanding payment of COVID-19 rental debt pursuant to subdivision (e) of Section 798.56 of the Civil Code or paragraph (2) or (3) of Section 1161, the tenant failed to comply with the requirements of Section 1179.03.

(3) (A) The unlawful detainer arises because of a termination of tenancy for any of the following:

(i) An at-fault just cause, as defined in paragraph (1) of subdivision (b) of Section 1946.2 of the Civil Code.

(ii) (I) A no-fault just cause, as defined in paragraph (2) of subdivision (b) of Section 1946.2 of the Civil Code, other than intent to demolish or to substantially remodel the residential real property, as defined in subparagraph (D) of paragraph (2) of subdivision (b) of Section 1946.2.

(II) Notwithstanding subclause (I), termination of a tenancy based on intent to demolish or to substantially remodel the residential real property shall be permitted if necessary to maintain compliance with the requirements of Section 1941.1 of the Civil Code, Section 17920.3 or 17920.10 of the Health and Safety Code, or any other applicable law governing the habitability of residential rental units.

(iii) The owner of the property has entered into a contract for the sale of that property with a buyer who intends to occupy the property, and all the requirements of paragraph (8) of subdivision (e) of Section 1946.2 of the Civil Code have been satisfied.

(B) In an action under this paragraph, other than an action to which paragraph (2) also applies, the landlord shall be precluded from recovering COVID-19 rental debt in connection with any award of damages.

(b) (1) This section does not require a landlord to assist the tenant to relocate through the payment of relocation costs if the landlord would not otherwise be required to do so pursuant to Section 1946.2 of the Civil Code or any other law.

(2) A landlord who is required to assist the tenant to relocate pursuant to Section 1946.2 of the Civil Code or any other law, may offset the tenant's COVID-19 rental debt against their obligation to assist the tenant to relocate.

SEC. 17. Section 1179.04 of the Code of Civil Procedure is amended to read:

1179.04. (a) On or before September 30, 2020, a landlord shall provide, in at least 12-point type, the following notice to tenants who, as of September 1, 2020, have not paid one or more rental payments that came due during the protected time period:

“NOTICE FROM THE STATE OF CALIFORNIA: The California Legislature has enacted the COVID-19 Tenant Relief Act of 2020 which protects renters who have experienced COVID-19-related financial distress from being evicted for failing to make rental payments due between March 1, 2020, and January 31, 2021.

“COVID-19-related financial distress” means any of the following:

1. Loss of income caused by the COVID-19 pandemic.
2. Increased out-of-pocket expenses directly related to performing essential work during the COVID-19 pandemic.
3. Increased expenses directly related to the health impact of the COVID-19 pandemic.
4. Childcare responsibilities or responsibilities to care for an elderly, disabled, or sick family member directly related to the COVID-19 pandemic that limit your ability to earn income.
5. Increased costs for childcare or attending to an elderly, disabled, or sick family member directly related to the COVID-19 pandemic.
6. Other circumstances related to the COVID-19 pandemic that have reduced your income or increased your expenses.

This law gives you the following protections:

1. If you failed to make rental payments due between March 1, 2020, and August 31, 2020, because you had decreased income or increased expenses due to the COVID-19 pandemic, as described above, you cannot be evicted based on this nonpayment.

2. If you are unable to pay rental payments that come due between September 1, 2020, and January 31, 2021, because of decreased income or increased expenses due to the COVID-19 pandemic, as described above, you cannot be evicted if you pay 25 percent of the rental payments missed during that time period on or before January 31, 2021.

You must provide, to your landlord, a declaration under penalty of perjury of your COVID-19-related financial distress attesting to the decreased income or increased expenses due to the COVID-19 pandemic to be protected by the eviction limitations described above. Before your landlord can seek to evict you for failing to make a payment that came due between March 1, 2020, and January 31, 2021, your landlord will be required to give you a 15-day notice that informs you of the amounts owed and includes a blank declaration form you can use to comply with this requirement.

If your landlord has proof of income on file which indicates that your household makes at least 130 percent of the median income for the county where the rental property is located, as published by the Department of Housing and Community Development in the Official State Income Limits for 2020, your landlord may also require you to provide documentation which shows that you have experienced a decrease in income or increase in expenses due to the COVID-19 pandemic. Your landlord must tell you in the 15-day notice whether your landlord is requiring that documentation. Any form of objectively verifiable documentation that demonstrates the financial impact you have experienced is sufficient, including a letter from your employer, an unemployment insurance record, or medical bills, and may be provided to satisfy the documentation requirement.

It is very important you do not ignore a 15-day notice to pay rent or quit or a notice to perform covenants or quit from your landlord. If you are served with a 15-day notice and do not provide the declaration form to your landlord before the 15-day notice expires, you could be evicted. You could also be evicted beginning February 1, 2021, if you owe rental payments due between September 1, 2020, and January 31, 2021, and you do not pay an amount equal to at least 25 percent of the payments missed for that time period.

For information about legal resources that may be available to you, visit [lawhelpca.org](http://lawhelpca.org).”

(b) On or before February 28, 2021, a landlord shall provide, in at least 12-point type, the following notice to tenants who, as of February 1, 2021, have not paid one or more rental payments that came due during the covered time period:

“NOTICE FROM THE STATE OF CALIFORNIA: The California Legislature has enacted the COVID-19 Tenant Relief Act which protects renters who have experienced COVID-19-related financial distress from

being evicted for failing to make rental payments due between March 1, 2020, and June 30, 2021.

“COVID-19-related financial distress” means any of the following:

1. Loss of income caused by the COVID-19 pandemic.
2. Increased out-of-pocket expenses directly related to performing essential work during the COVID-19 pandemic.
3. Increased expenses directly related to the health impact of the COVID-19 pandemic.
4. Childcare responsibilities or responsibilities to care for an elderly, disabled, or sick family member directly related to the COVID-19 pandemic that limit your ability to earn income.
5. Increased costs for childcare or attending to an elderly, disabled, or sick family member directly related to the COVID-19 pandemic.
6. Other circumstances related to the COVID-19 pandemic that have reduced your income or increased your expenses.

This law gives you the following protections:

1. If you failed to make rental payments due between March 1, 2020, and August 31, 2020, because you had decreased income or increased expenses due to the COVID-19 pandemic, as described above, you cannot be evicted based on this nonpayment.
2. If you are unable to pay rental payments that come due between September 1, 2020, and June 30, 2021, because of decreased income or increased expenses due to the COVID-19 pandemic, as described above, you cannot be evicted if you pay 25 percent of the rental payments missed during that time period on or before June 30, 2021.

You must provide, to your landlord, a declaration under penalty of perjury of your COVID-19-related financial distress attesting to the decreased income or increased expenses due to the COVID-19 pandemic to be protected by the eviction limitations described above. Before your landlord can seek to evict you for failing to make a payment that came due between March 1, 2020, and June 30, 2021, your landlord will be required to give you a 15-day notice that informs you of the amounts owed and includes a blank declaration form you can use to comply with this requirement.

If your landlord has proof of income on file which indicates that your household makes at least 130 percent of the median income for the county where the rental property is located, as published by the Department of Housing and Community Development in the Official State Income Limits for 2020, your landlord may also require you to provide documentation which shows that you have experienced a decrease in income or increase in expenses due to the COVID-19 pandemic. Your landlord must tell you in the 15-day notice whether your landlord is requiring that documentation. Any form of objectively verifiable documentation that demonstrates the financial impact you have experienced is sufficient, including a letter from your employer, an unemployment insurance record, or medical bills, and may be provided to satisfy the documentation requirement.

It is very important you do not ignore a 15-day notice to pay rent or quit or a notice to perform covenants or quit from your landlord. If you are served

with a 15-day notice and do not provide the declaration form to your landlord before the 15-day notice expires, you could be evicted. You could also be evicted beginning July 1, 2021 if you owe rental payments due between September 1, 2020, and June 30, 2021, and you do not pay an amount equal to at least 25 percent of the payments missed for that time period.

**YOU MAY QUALIFY FOR RENTAL ASSISTANCE.** In addition to extending these eviction protections, the State of California, in partnership with federal and local governments, has created an emergency rental assistance program to assist renters who have been unable to pay their rent and utility bills as a result of the COVID-19 pandemic. This program may be able to help you get caught up with past-due rent. Additionally, depending on the availability of funds, the program may also be able to assist you with making future rental payments.

While not everyone will qualify for this assistance, you can apply for it regardless of your citizenship or immigration status. There is no charge to apply for or receive this assistance.

Additional information about the extension of the COVID-19 Tenant Relief Act and new state or local rental assistance programs, including more information about how to qualify for assistance, can be found by visiting <http://housingiskey.com> or by calling 1-833-422-4255.”

(c) On or before July 31, 2021, a landlord shall provide, in at least 12-point type, the following notice to tenants who, as of July 1, 2021, have not paid one or more rental payments that came due during the covered time period:

“NOTICE FROM THE STATE OF CALIFORNIA: The California Legislature has extended the COVID-19 Tenant Relief Act. The law now protects renters who have experienced COVID-19-related financial distress from being evicted for failing to make rental payments due between March 1, 2020, and September 30, 2021.

“COVID-19-related financial distress” means any of the following:

1. Loss of income caused by the COVID-19 pandemic.
2. Increased out-of-pocket expenses directly related to performing essential work during the COVID-19 pandemic.
3. Increased expenses directly related to the health impact of the COVID-19 pandemic.
4. Childcare responsibilities or responsibilities to care for an elderly, disabled, or sick family member directly related to the COVID-19 pandemic that limit your ability to earn income.
5. Increased costs for childcare or attending to an elderly, disabled, or sick family member directly related to the COVID-19 pandemic.
6. Other circumstances related to the COVID-19 pandemic that have reduced your income or increased your expenses.

This law gives you the following protections:

1. If you failed to make rental payments due between March 1, 2020, and August 31, 2020, because you had decreased income or increased expenses

due to the COVID-19 pandemic, as described above, you cannot be evicted based on this nonpayment.

2. If you are unable to pay rental payments that come due between September 1, 2020, and September 30, 2021, because of decreased income or increased expenses due to the COVID-19 pandemic, as described above, you cannot be evicted if you pay 25 percent of the rental payments missed during that time period on or before September 30, 2021.

You must provide, to your landlord, a declaration under penalty of perjury of your COVID-19-related financial distress attesting to the decreased income or increased expenses due to the COVID-19 pandemic to be protected by the eviction limitations described above. Before your landlord can seek to evict you for failing to make a payment that came due between March 1, 2020, and September 30, 2021, your landlord will be required to give you a 15-day notice that informs you of the amounts owed and includes a blank declaration form you can use to comply with this requirement.

If your landlord has proof of income on file that indicates that your household makes at least 130 percent of the median income for the county where the rental property is located, as published by the Department of Housing and Community Development in the Official State Income Limits for 2020, your landlord may also require you to provide documentation that shows that you have experienced a decrease in income or increase in expenses due to the COVID-19 pandemic. Your landlord must tell you in the 15-day notice whether your landlord is requiring that documentation. Any form of objectively verifiable documentation that demonstrates the financial impact you have experienced is sufficient, including a letter from your employer, an unemployment insurance record, or medical bills, and may be provided to satisfy the documentation requirement.

It is very important you do not ignore a 15-day notice to pay rent or quit or a notice to perform covenants or quit from your landlord. If you are served with a 15-day notice and do not provide the declaration form to your landlord before the 15-day notice expires, you could be evicted. You could also be evicted beginning October 1, 2021 if you owe rental payments due between September 1, 2020, and September 30, 2021, and you do not pay an amount equal to at least 25 percent of the payments missed for that time period.

**YOU MAY QUALIFY FOR RENTAL ASSISTANCE.** In addition to extending these eviction protections, the State of California, in partnership with federal and local governments, has created an emergency rental assistance program to assist renters who have been unable to pay their rent and utility bills as a result of the COVID-19 pandemic. This program may be able to help you get caught up with past-due rent. Additionally, depending on the availability of funds, the program may also be able to assist you with making future rental payments.

While not everyone will qualify for this assistance, you can apply for it regardless of your citizenship or immigration status. There is no charge to apply for or receive this assistance.

Additional information about the extension of the COVID-19 Tenant Relief Act and new state or local rental assistance programs, including more



information about how to qualify for assistance, can be found by visiting <http://housingiskey.com> or by calling 1-833-430-2122.”

(d) The landlord may provide the notice required by subdivisions (a) to (c), inclusive, as applicable, in the manner prescribed by Section 1162 or by mail.

(e) (1) A landlord may not serve a notice pursuant to subdivision (b) or (c) of Section 1179.03 before the landlord has provided the notice required by subdivisions (a) to (c), inclusive, as applicable.

(2) The notice required by subdivision (a) may be provided to a tenant concurrently with a notice pursuant to subdivision (b) or (c) of Section 1179.03 that is served on or before September 30, 2020.

(3) The notice required by subdivision (b) may be provided to a tenant concurrently with a notice pursuant to subdivision (b) or (c) of Section 1179.03 that is served on or before February 28, 2021.

(4) The notice required by subdivision (c) may be provided to a tenant concurrently with a notice pursuant to subdivision (b) or (c) of Section 1179.03 that is served on or before September 30, 2021.

SEC. 18. Section 1179.05 of the Code of Civil Procedure is amended to read:

1179.05. (a) Any ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county in response to the COVID-19 pandemic to protect tenants from eviction is subject to all of the following:

(1) Any extension, expansion, renewal, reenactment, or new adoption of a measure, however delineated, that occurs between August 19, 2020, and March 31, 2022, shall have no effect before April 1, 2022.

(2) Any provision which allows a tenant a specified period of time in which to repay COVID-19 rental debt shall be subject to all of the following:

(A) If the provision in effect on August 19, 2020, required the repayment period to commence on a specific date on or before May 1, 2022, any extension of that date made after August 19, 2020, shall have no effect.

(B) If the provision in effect on August 19, 2020, required the repayment period to commence on a specific date after May 1, 2022, or conditioned commencement of the repayment period on the termination of a proclamation of state of emergency or local emergency, the repayment period is deemed to begin on May 1, 2022.

(C) The specified period of time during which a tenant is permitted to repay COVID-19 rental debt may not extend beyond the period that was in effect on August 19, 2020. In addition, a provision may not permit a tenant a period of time that extends beyond May 31, 2023, to repay COVID-19 rental debt.

(b) This section does not alter a city, county, or city and county’s authority to extend, expand, renew, reenact, or newly adopt an ordinance that requires just cause for termination of a residential tenancy or amend existing ordinances that require just cause for termination of a residential tenancy, consistent with subdivision (g) of Section 1946.2, provided that a provision

enacted or amended after August 19, 2020, shall not apply to rental payments that came due between March 1, 2020, and March 31, 2022.

(c) The one-year limitation provided in subdivision (2) of Section 1161 is tolled during any time period that a landlord is or was prohibited by any ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county in response to the COVID-19 pandemic to protect tenants from eviction based on nonpayment of rental payments from serving a notice that demands payment of COVID-19 rental debt pursuant to subdivision (e) of Section 798.56 of the Civil Code or paragraph (2) of Section 1161.

(d) It is the intent of the Legislature that this section be applied retroactively to August 19, 2020.

(e) The Legislature finds and declares that this section addresses a matter of statewide concern rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this section applies to all cities, including charter cities.

(f) It is the intent of the Legislature that the purpose of this section is to protect individuals negatively impacted by the COVID-19 pandemic, and that this section does not provide the Legislature's understanding of the legal validity on any specific ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county in response to the COVID-19 pandemic to protect tenants from eviction.

SEC. 19. Section 1179.07 of the Code of Civil Procedure is amended to read:

1179.07. This chapter shall remain in effect until October 1, 2025, and as of that date is repealed.

SEC. 20. Chapter 6 (commencing with Section 1179.08) is added to Title 3 of Part 3 of the Code of Civil Procedure, to read:

#### CHAPTER 6. COVID-19 RENTAL HOUSING RECOVERY ACT

1179.08. This chapter shall be known, and may be cited, as the COVID-19 Rental Housing Recovery Act.

1179.09. For purposes of this chapter:

(a) "Approved application" means an application for which a government rental assistance program has verified applicant eligibility, and the requested funds have been obligated to the applicant for payment.

(b) "COVID-19 recovery period rental debt" means a rental debt of a tenant under a tenancy that came due between October 1, 2021, and March 31, 2022.

(c) "COVID-19 rental debt" has the same meaning as defined in Section 1179.02.

(d) (1) "Final decision" means either of the following determinations by a government rental assistance program regarding an application for rental assistance:

(A) The application is an approved application.



(B) The application is denied for any of the following reasons:

- (i) The tenant is not eligible for government rental assistance.
- (ii) The government rental assistance program no longer has sufficient rental assistance funds to approve the application.
- (iii) The application for government rental assistance remains incomplete 15 days, excluding Saturdays, Sundays, and other judicial holidays, after the landlord properly completed the portion of the application that is the responsibility of the landlord because of failure on the part of the tenant to properly complete the portion of the application that is the responsibility of the tenant.

(2) “Final decision” does not include any of the following:

(A) The rejection of an application as incomplete or improperly completed by a landlord.

(B) Notification that an application is temporarily pending further action by the government rental assistance program or the applicant.

(C) Notification that the landlord or tenant applied to the wrong government rental assistance program for the property or rental debt at issue.

(e) “Government rental assistance program” means any rental assistance program authorized pursuant to Chapter 17 (commencing with Section 50897) of Part 2 of Division 31 of the Health and Safety Code.

(f) “Pertinent government rental assistance program” means a government rental assistance program for the city, county, or city and county in which the property at issue is located.

(g) “Rental debt” means an unpaid rent or other unpaid financial obligation of a tenant under the tenancy that has come due.

(h) (1) “Rental debt that accumulated due to COVID-19 hardship” means COVID-19 rental debt, COVID-19 recovery period rental debt, or a combination of both, if it accumulated during a tenancy initially established before October 1, 2021.

(2) (A) For purposes of this subdivision, a tenancy is initially established when the tenants first lawfully occupy the premises.

(B) Any of the following do not initially establish a tenancy:

- (i) The renewal of a periodic tenancy.
- (ii) The extension of an existing lease or rental agreement.
- (iii) The execution of a new lease or rental agreement with one or more individuals who already lawfully occupy the premises.

1179.10. (a) A notice for a residential rental property that demands payment of COVID-19 recovery period rental debt and that is served pursuant to subdivision (e) of Section 798.56 of the Civil Code or paragraph (2) or (3) of Section 1161 shall be modified as follows:

(1) The time period in which the tenant may pay the amount due or deliver possession of the property shall be no shorter than three days, excluding Saturdays, Sundays, and other judicial holidays.

(2) The notice shall include all of the following:

(A) The amount of rent demanded and the date each amount became due.

(B) The telephone number and internet website address of the pertinent government rental assistance program.

(C) The following bold text in at least 12-point font:

**“IMPORTANT NOTICE FROM THE STATE OF CALIFORNIA – YOU MUST TAKE ACTION TO AVOID AN EVICTION: As part of the state’s COVID-19 relief plan, money has been set aside to help renters who have fallen behind on rent or utility payments.**

**If you cannot pay the amount demanded in this notice, YOU SHOULD COMPLETE A RENTAL ASSISTANCE APPLICATION IMMEDIATELY! It is free and simple to apply. Citizenship or immigration status does not matter.**

**DO NOT DELAY! IF YOU DO NOT COMPLETE YOUR APPLICATION FOR RENTAL ASSISTANCE WITHIN 15 BUSINESS DAYS, YOUR LANDLORD MAY BE ABLE TO SUE TO OBTAIN A COURT ORDER FOR YOUR EVICTION.**

**You can start your application by calling 1-833-430-2122 or visiting <http://housingiskey.com>.**

(D) If the landlord was required, pursuant to Section 1632 of the Civil Code, to provide a translation of the rental contract or agreement in the language in which the contract or agreement was negotiated, the landlord shall also provide the text of the notice in subparagraph (C) to the tenant in the language in which the contract or agreement was negotiated. The Business, Consumer Services, and Housing Agency shall make available on the <http://housingiskey.com> internet website an official translation of the text required by subparagraph (C) in the languages specified in Section 1632 of the Civil Code by no later than September 15, 2021.

(b) (1) A notice that demands payment of COVID-19 recovery period rental debt that does not meet the requirements of this section is not sufficient to establish a cause of action for unlawful detainer or a basis for default judgment.

(2) The court, upon its own motion or upon a motion by a defendant in the case, shall dismiss a cause of action for unlawful detainer that is based on a notice that demands payment of COVID-19 recovery period rental debt if the notice does not meet the requirements of this section.

(3) A defendant may raise the insufficiency of a notice pursuant to this section as a complete defense to an unlawful detainer.

1179.11. On or after October 1, 2021, and before March 31, 2022, in an unlawful detainer action pertaining to residential real property and based, in whole or in part, on nonpayment of rental debt that accumulated due to COVID-19 hardship, all of the following shall apply:

(a) A court shall not issue a summons on a complaint for unlawful detainer that seeks possession of residential real property based on nonpayment of rental debt that accumulated due to COVID-19 hardship unless the plaintiff, in addition to any other requirements provided by law, also files any of the following:

(1) Both of the following:

(A) A statement verifying, under penalty of perjury, that before filing the complaint, the landlord completed an application for government rental assistance to cover the rental debt demanded from the defendants in the case, but the application was denied.

(B) A copy of a final decision from the pertinent government rental assistance program denying a rental assistance application for the property at issue in the case.

(2) A statement, under penalty of perjury, verifying that all of the following are true:

(A) Before filing the complaint, the landlord submitted a completed application, as defined in Section 50897 of the Health and Safety Code, for rental assistance to the pertinent government rental assistance program to cover the rental debt demanded from the defendants in the case.

(B) Twenty days have passed since the later of the following:

(i) The date that the landlord submitted the application as described in subparagraph (A).

(ii) The date that the landlord served the tenant with the three-day notice underlying the complaint.

(C) The landlord has not received notice or obtained verification from the pertinent government rental assistance program indicating that the tenant has submitted a completed application for rental assistance to cover the rental debt demanded from the defendants in the case.

(D) The landlord has received no communication from the tenant that the tenant has applied for government rental assistance to cover the unpaid rental debt demanded from the defendants in the case.

(3) A statement, under penalty of perjury, that the rental debt demanded from the defendant in the complaint accumulated under a tenancy that was initially established, as described in paragraph (2) of subdivision (h) of Section 1179.09, on or after October 1, 2021.

(b) A statement under penalty of perjury described in subdivision (a) shall be made on a form developed or revised by the Judicial Council for this purpose if the Judicial Council determines that this requirement is necessary to accomplish the purpose of the statement.

(c) (1) A judgment or default judgment shall not issue in favor of the plaintiff unless the court finds, upon review of the pleadings and any other evidence brought before it, that both of the following are true:

(A) Before filing the complaint, the plaintiff completed an application to the pertinent government rental assistance program for rental assistance to cover the rental debt demanded in the complaint.

(B) The plaintiff's application for rental assistance was denied because of lack of eligibility, lack of funding, or the application remained incomplete due to the tenant's failure to properly complete the portion of the application that is the responsibility of the tenant for 15 days, excluding Saturdays, Sundays, and other judicial holidays, after the landlord properly completed the portion of the application that is responsibility of the landlord.

(2) In making its findings pursuant to this paragraph, the court may take judicial notice of information available to the court pursuant to Section 1179.12.

(d) In addition to the summons, the complaint, and any other required document, the plaintiff shall serve the defendant with copies of the statement and final decision filed with the court pursuant to subdivision (a). The absence of these copies shall be sufficient grounds to grant a motion to quash service of the summons.

(e) If the defendant contests whether the plaintiff has met the requirements of subdivision (c), the plaintiff shall bear the burden of proving to the court that the plaintiff has met those requirements.

(f) The Legislature finds and declares all of the following:

(1) For rental debt that accumulated due to COVID-19 hardship that was incurred on or after October 1, 2021, and before March 31, 2022, a landlord must be compensated for all of the unpaid rent demanded in the notice that forms the basis of the complaint in order to prevent an unlawful detainer judgment based on that complaint.

(2) That for rental debt that accumulated due to COVID-19 hardship that was incurred on or after September 1, 2020, and before September 30, 2021, a landlord must be provided 25 percent of the unpaid rent demanded in the notice that forms the basis of the complaint before October 1, 2021, in order to prevent an unlawful detainer judgment based on that complaint.

(g) A summons on a complaint issued pursuant to paragraph (3) of subdivision (a) shall not be construed to subject the complaint to the requirements of this chapter.

1179.12. (a) Each government rental assistance program shall, by no later than September 15, 2021, develop mechanisms, including, but not limited to, telephone or online access, through which landlords, tenants, and the court may do both of the following:

(1) Verify the status of an application for rental assistance based upon the property address and a unique application number.

(2) Obtain copies of any determination on an application for rental assistance. A determination shall indicate all of the following:

(A) The name of the tenant that is the subject of the application.

(B) The address of the property that is the subject of the application.

(C) Whether the application has been approved or denied.

(D) If the application has been approved, then the amount of the payment that has been approved and the period and type of rental debt to which the amount corresponds.

(E) If the application has been denied, the reason for the denial, which shall be any of the following:

(i) The tenant is ineligible for government rental assistance.

(ii) The government rental assistance program no longer has sufficient funds to approve the application.

(iii) The application remained incomplete 15 days, excluding Saturdays, Sundays, and other judicial holidays, after it was initially submitted because of failure on the part of the tenant to provide required information.

(b) A government rental assistance program that does not comply with this section shall be deemed ineligible to receive further block grant allocations pursuant to Section 50897.2 of, or 50897.2.1 of, the Health and Safety Code.

(c) It shall be unlawful for a person to access or use any information available pursuant to subdivision (a) for any purpose other than to determine the status of an application for assistance.

1179.13. (a) A court shall prevent the forfeiture of a lease or rental agreement, whether written or oral, and whether or not the tenancy has terminated, and restore the tenant to the former estate or tenancy, if necessary, if all of the following apply:

(1) The complaint for unlawful detainer is based on a demand for payment of rental debt that accumulated due to COVID-19 financial hardship.

(2) (A) The tenant submits verification to the court that a government rental assistance program has approved an application for rental assistance corresponding to part or all of the rental debt demanded in the complaint.

(B) The verification described in this paragraph shall be in the form of either of the following:

(i) A copy of a final decision from the government rental assistance program showing the property address, the amount of payment approved, and the time period for which assistance was provided.

(ii) The property address and a unique application number to enable the court to obtain confirmation of the final decision, the corresponding property address, the amount of the payment approved, and the time period for which assistance was provided.

(3) The approved payment from the rental assistance program, together with any additional payments made by the tenant, constitute full payment of the rental debt demanded in the complaint.

(b) An application pursuant to this section may be made only at any time before restoration of the premises to the landlord.

(c) (1) An application pursuant to this section shall consist of verification that a government rental assistance program has approved an application for rental assistance corresponding to the rental debt demanded in the complaint.

(2) The verification described in this subdivision shall consist of either of the following:

(A) A copy of the final decision from the government rental assistance program approving the application, showing the property address, and indicating the amount of payment approved.

(B) A property address and unique application number to enable the court to obtain confirmation of the final decision, the corresponding property address, and the amount of the payment approved.

(3) (A) Except as provided in subparagraph (B), a tenant shall not be required to file any documentation not described in paragraph (1) or pleading with the court in order to apply for relief pursuant to this section.

(B) The verification required by this subdivision shall be provided on or accompanied by a form developed or revised by the Judicial Council for

this purpose if the Judicial Council determines that this requirement is necessary to accomplish the purpose of the verification.

(d) Upon the filing of an application for relief pursuant to this section, the court shall do both of the following:

(1) Set a hearing on the matter on not less than 5 days' notice and not more than 10 days' notice to the parties, to be given by the court, and to be held separately or in conjunction with any regularly noticed hearing or trial in the case.

(2) Stay the action if no judgment has been entered in the case, immediately stay execution of any writ of possession issued in the case through the date of the hearing, and notify the sheriff accordingly.

(e) (1) At the hearing set pursuant to paragraph (1) of subdivision (d), the court shall rule upon the application for relief pursuant to this section in one of the following ways:

(A) If the tenant does not qualify for relief pursuant to subdivision (a), the court shall deny the application. A denial pursuant to this subparagraph may be used as evidence in an unlawful detainer action between the parties.

(B) If the tenant qualifies for relief pursuant to subdivision (a), and the plaintiff has received all of the payments described in paragraph (3) of subdivision (a), then the court shall grant the application, set aside any judgment issued in the case, and dismiss the case.

(C) If the tenant qualifies for relief pursuant to subdivision (a), and the plaintiff has not received all of the payments described in paragraph (3) of subdivision (a), the court shall do all of the following:

(i) Set a followup hearing to be held within 15 days, excluding Saturdays, Sundays, and other judicial holidays.

(ii) Extend the stay of the action through the date of that followup hearing.

(iii) Extend the stay of execution of any writ of possession in the case through the date of that followup hearing.

(D) At any followup hearing pursuant to subparagraph (C), the court shall issue one of the following orders:

(i) If the government rental assistance program has withdrawn the approval of rental assistance, then the court shall deny the application.

(ii) If the plaintiff has received all of the payments described in paragraph (3) of subdivision (a), then the court shall grant the application, set aside any judgment issued in the case, and dismiss the case.

(iii) If the government rental assistance program has not withdrawn the approval of rental assistance, but the landlord has not received all of the payments described in paragraph (3) of subdivision (a) because the rental assistance program has not yet issued its part of the payment, then the court shall order another followup hearing in accordance with this subparagraph.

(iv) If the government rental assistance program has not withdrawn the approval of rental assistance, but the landlord has not received all of the payments described in paragraph (3) of subdivision (a) because the tenant has not yet paid the tenant's part of the payment, then the court shall deny the application with prejudice.



(2) If a court grants an application for relief pursuant to this section, the tenant shall not be considered the prevailing party for purposes of Section 1032, any attorney's fee provision appearing in contract or statute, or any other law.

1179.14. If the criteria for issuance of a summons pursuant to subdivision (a) of Section 1179.11 have not been satisfied within 60 days of the complaint's filing, the court shall dismiss the action without prejudice.

1179.15. This chapter shall remain in effect until September 30, 2024, and as of that date is repealed.

SEC. 21. Section 50897 of the Health and Safety Code is amended to read:

50897. For purposes of this chapter:

(a) "City" means a city or a city and county. For purposes of this chapter, a city may be organized either under the general laws of this state or under a charter adopted pursuant to Section 3 of Article XI of the California Constitution.

(b) "County" means a county, including a county organized under a charter adopted pursuant to Section 3 of Article XI of the California Constitution, or a city and county.

(c) "Completed application" means an application for which a landlord or eligible household, as applicable, has provided all the necessary contact information and documentation required for a government rental assistance program to initiate a review of the application for eligibility.

(d) "Department" means the Department of Housing and Community Development.

(e) (1) "Eligible household" has the same meaning as defined in Section 501(k)(3) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

(2) Notwithstanding paragraph (1), for purposes of Round 2, "eligible household" has the same meaning as defined in Section 3201(f)(2) of Subtitle B of Title III of the American Rescue Plan Act of 2021 (Public Law 117-2).

(f) "Federally recognized tribe" means an Indian tribe, as described in Section 501(k)(2)(C) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

(g) "Grantee" means a city, including a charter city, a county, including a charter county, or a city and county, including a charter city and county, that participates in a rental assistance program pursuant to this chapter.

(h) "Option A" means the administrative option grantees utilize pursuant to subparagraphs (A) and (B) of paragraph (1) of subdivision (b) of Section 50897.3 or subparagraphs (A) and (B) of paragraph (1) of subdivision (b) of Section 50897.3.1, as applicable.

(i) "Option B" means the administrative option grantees utilize pursuant to Section 50897.2 or 50897.2.1, as applicable.

(j) "Option C" means the administrative option grantees utilize pursuant to paragraph (2) of subdivision (b) of Section 50897.3 or paragraph (2) of subdivision (b) of Section 50897.3.1, as applicable.

(k) “Program” means the process for awarding funds for state rental assistance pursuant to this chapter, as provided in Section 50897.2, 50897.2.1, 50897.3, or 50897.3.1, as applicable.

(l) “Program implementer” means the contracted vendor selected to administer emergency rental assistance under the program pursuant to paragraph (1) of subdivision (a) of Section 50897.3.

(m) “Prospective rent payment” means a rent payment eligible for financial assistance pursuant to Section 501(c)(2)(A) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

(n) “Rental arrears” means rental arrears eligible for financial assistance pursuant to Section 501(c)(2)(A) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

(o) “Round 1” means the state rental assistance program established by funds provided by Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

(p) “Round 2” means the state rental assistance program established by funds provided by Section 3201 of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2).

(q) “State reservation table” means the methodology for allocating the state’s portion of funding for Round 1 and Round 2 as follows:

(1) (A) With respect to funding received for Round 1, no more than 10 percent for state administration.

(B) Round 1 shall include one hundred fifty million dollars (\$150,000,000) total set aside for smaller counties with a population less than 200,000, allocated based on the proportional share of population from the 2019 federal census data.

(C) The remainder of the state allocation to be distributed to eligible grantees with a population 200,000 or greater, based on their proportional share of population from the 2019 federal census data.

(2) (A) With respect to funding for Round 2, no more than 15 percent shall be used for state administration.

(B) Subject to the requirements of this paragraph, Round 2 funding shall include one hundred twenty-five million dollars (\$125,000,000) total set aside for counties with a population less than 200,000, allocated based on their proportional share of the population from the 2019 federal census data.

(C) The remainder of the state allocation to be distributed to grantees with a population 200,000 or greater, based on their proportional share of population from the 2019 federal census data.

(D) The department shall pay all grantees an initial payment that is equal to an amount not less than 40 percent of each grantee’s total allocation provided under this paragraph.

(i) Subsequent payments shall be paid to grantees in tranches up to the full amount of each grantee’s total state allocation in accordance with a procedure established by the department that shall require that a grantee have obligated not less than 75 percent of funds provided pursuant to this subparagraph.



(ii) The department shall have the authority to reallocate unused funds and shall prioritize allocating funds based on factors that include a grantee's unmet need, rate of application submissions, rate of attrition, and rate of expenditures.

(r) "Utilities" means utilities and home energy costs eligible for financial assistance pursuant to Section 501(c)(2)(A) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

SEC. 22. Section 50897.1 of the Health and Safety Code is amended to read:

50897.1. (a) (1) Funds available for rental assistance pursuant to this chapter shall consist of state rental assistance funds made available pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) and Section 3201 of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2) and shall be administered by the department in accordance with this chapter and applicable federal law.

(2) Each grantee shall be eligible to receive an allocation of rental assistance funds, calculated in accordance with the state reservation table.

(3) The state high-need grantee set aside provided pursuant to Section 3201(a)(2)(D) of Subtitle B of Title III of the American Rescue Plan Act of 2021 (Public Law 117-2) shall be allocated or administered by the department, or program implementer, pursuant to applicable federal requirements.

(4) Additional rental assistance funds allocated to the state from the United States Treasury pursuant to Section 501(d) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) or Section 3201(e) of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2) shall be allocated, at the department's discretion, with prioritization based on factors that include a grantee's unmet need, rate of application submissions, rate of attrition, and rate of expenditures.

(5) Except as otherwise provided in this chapter, funds available for rental assistance administered pursuant to Section 50897.3 or 50897.3.1 shall consist of state rental assistance funds calculated pursuant to the state reservation table.

(b) Funds provided for and administered pursuant to this chapter shall be used in a manner consistent with federal law, including the prioritization of assistance specified in Section 501(c)(4) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260). In addition, in providing assistance pursuant to this chapter, the department and, if applicable, the program implementer shall prioritize communities disproportionately impacted by COVID-19, as determined by the department. State prioritization shall be as follows:

(1) Priority one shall be eligible households, as specified in Section 501(c)(4) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), to expressly target

assistance for eligible households with a household income that is not more than 50 percent of the area median or any eligible households that receive a notice described in Section 1179.10 of the Code of Civil Procedure or a summons described in Section 1179.11 of the Code of Civil Procedure.

(2) Priority two shall be communities disproportionately impacted by COVID-19, as determined by the department.

(3) Priority three shall be eligible households that are not otherwise prioritized as described in paragraphs (1) and (2), to expressly include eligible households with a household income that is not more than 80 percent of the area median income.

(c) (1) Except as otherwise provided in paragraph (2), eligible uses for funds made available to a grantee under this chapter shall be as follows:

(A) Rental arrears.

(B) Prospective rent payments.

(C) Utilities, including arrears and prospective payments for utilities.

(D) Any other expenses related to housing as provided in Section 501(c)(2)(A) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

(E) Any additional use authorized under federal law and guidance.

(2) For purposes of stabilizing households and preventing evictions, rental arrears shall be given priority for purposes of providing rental assistance pursuant to this chapter.

(3) Remaining funds not used as described in paragraph (2) may be used for any eligible use described in subparagraphs (B), (C), and (D) of paragraph (1).

(d) Assistance for rental arrears may be provided as a payment directly to a landlord on behalf of an eligible household by entering into an agreement with the landlord, subject to both of the following:

(1) Assistance for rental arrears shall be set at compensation of 100 percent of an eligible household's unpaid rental debt accumulated on or after April 1, 2020.

(2) (A) Acceptance of a payment made pursuant to this subdivision shall be conditioned on the landlord's agreement to accept the payment as payment in full of the rental debt owed by any tenant within the eligible household for whom rental assistance is being provided for the specified time period. The landlord's release of claims pursuant to this subparagraph shall take effect only upon payment being made to the landlord pursuant to this subdivision.

(B) The landlord's agreement to accept payment pursuant to this subdivision as payment in full, as provided in subparagraph (A), shall include the landlord's agreement to release any and all claims for nonpayment of rental debt owed for the specified time period, including a claim for unlawful detainer pursuant to paragraph (2) and (3) of Section 1161 of the Code of Civil Procedure, against any tenant within the eligible household for whom the rental assistance is being provided.

(e) (1) A member of an eligible household may directly apply for rental arrears assistance from the grantee. Assistance for rental arrears pursuant

to this subdivision shall be set at compensation of 100 percent of the eligible household's unpaid rental debt accumulated on or after April 1, 2020.

(2) (A) Upon receipt of assistance, the eligible household shall provide the full amount of rental arrears to the landlord within 15 days, excluding Saturdays, Sundays, and judicial holidays, of receipt of the funds.

(B) (i) If the household does not comply with subparagraph (A), the landlord may charge a late fee not to exceed the amount that the landlord may charge a tenant for one late rental payment under the terms of the lease or rental agreement.

(ii) Failure to pay a late fee charged by a landlord pursuant to this subparagraph shall not be grounds for an unlawful detainer action.

(C) A member of an eligible household described by this paragraph shall attest under penalty of perjury that the household will comply with the requirements of this paragraph.

(f) Funds used to provide assistance for prospective rent payments for an eligible household shall be set at 100 percent of the eligible household's monthly rent.

(g) (1) When a landlord or tenant submits a completed application, grantees shall provide notification to the respective parties included in the application.

(2) Upon approval of payment for a landlord or tenant application, as applicable, grantees shall provide notification to the respective parties included in the application.

(h) (1) Assistance provided under this chapter shall be provided to eligible households or, if applicable, to landlords on behalf of eligible households that are currently housed and occupying the residential unit for which the assistance is requested at the time of the application.

(2) (A) Notwithstanding paragraph (1), eligible households that no longer occupy the residential unit with respect to which rental assistance has been requested and have demonstrated rental arrears shall be eligible for assistance.

(B) (i) Subject to clause (ii), assistance provided pursuant to this paragraph shall be prioritized to participating landlords.

(ii) If the landlord does not participate, payments may be provided directly to the eligible household if the eligible household provides any amount received for rental assistance to the landlord. A member of the eligible household shall attest under penalty of perjury that the household will comply with the requirements of this clause.

(C) It is the intent of the Legislature for grantees to exercise maximum discretion within the limitations of federal law and guidance to establish eligibility and documentation requirements for households no longer occupying the unit in question to ensure funds administered pursuant to this paragraph are deployed in a streamlined manner.

(D) A payment made directly to a participating landlord pursuant to this paragraph shall be considered as payment in full and shall include the landlord's agreement to release any and all claims for nonpayment of rental debt owed for the specified time period, including a claim for unlawful

detainer pursuant to paragraphs (2) and (3) of Section 1161 of the Code of Civil Procedure.

(i) For purposes of the protections against housing discrimination provided under the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the Government Code), assistance provided under this chapter shall be deemed to be a “source of income,” as that term is defined in subdivision (i) of Section 12927 of the Government Code.

(j) (1) Notwithstanding any other law, except as otherwise provided in subdivision (i), assistance provided to an eligible household for a payment as provided in this chapter or as provided as a direct allocation to grantees from the Secretary of the Treasury pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) or Section 3201 of Subtitle B of Title III of the American Rescue Plan Act of 2021 (Public Law 117-2) shall not be deemed to be income for purposes of the Personal Income Tax Law (Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code) or used to determine the eligibility of an eligible household, or any member of an eligible household, for any state program or local program financed wholly or in part by state funds.

(2) Notwithstanding any other law, for taxable years beginning on or after January 1, 2020, and before January 1, 2025, gross income shall not include a tenant’s rent liability that is forgiven by a landlord as provided in this chapter or as rent forgiveness provided through funds grantees received as a direct allocation from the Secretary of the Treasury pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) or Section 3201 of Subtitle B of Title III of the American Rescue Plan Act of 2021 (Public Law 117-2).

(k) (1) The department may adopt, amend, and repeal rules, guidelines, or procedures necessary to carry out the purposes of this chapter, including guidelines regarding the administration of federal rental assistance funds received under Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) or the administration of federal rental assistance funds received under Section 3201 of Subtitle B of Title III of the American Rescue Plan Act of 2021 (Public Law 117-2) that are consistent with the requirements of that federal law and any regulations promulgated pursuant to that federal law.

(2) The adoption, amendment, or repeal of rules, guidelines, or procedures authorized by this subdivision is exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(l) Any interest that the state, a grantee, or, if applicable, the program implementer derives from the deposit of funds made available pursuant to this chapter or pursuant to subdivision (e) of Section 925.6 of the Government Code shall be used to provide additional assistance under this chapter.

(m) Upon notification from the Director of Finance to the Joint Legislative Budget Committee that additional federal rental assistance resources have been obtained, that assistance may be deployed in a manner consistent with this chapter. Any statutory provision established by subsequent federal law specific to the administration of those additional resources shall supersede the provisions contained in this chapter to the extent that there is a conflict between those federal statutory provisions and this chapter. To implement future federal rental assistance, the department shall make corresponding programmatic changes to effectuate the program in compliance with federal law.

(n) Notwithstanding any other law, a third party shall be prohibited from receiving compensation for services provided to an eligible household in applying for or receiving assistance under this chapter, except that this prohibition shall not apply to any contracted entity that renders those services upon the express authorization by the department, the program implementer, or a grantee.

(o) Assistance provided under this chapter shall include a receipt that provides confirmation of payment that has been made. The receipt shall include, but not be limited to, the amount of payment or forgiveness, as applicable, and the time period for which assistance was provided. The receipt shall be provided to both the eligible household and the landlord.

(p) (1) The department, program implementer, or grantee, as applicable, that has completed rental assistance payments subject to the provisions of this section, as amended by Chapter 5 of the Statutes of 2021, shall provide additional assistance to previous recipients so that total assistance provided is equivalent to 100 percent of an eligible household's rental arrears or prospective rent for the period originally requested, as applicable.

(2) To make payments pursuant to this subdivision in a timely manner, additional assistance shall be executed without the counter signature from the eligible household or landlord.

(q) A grantee may request a change to its administrative option as provided in Round 1 or Round 2, as applicable, subject to the approval of the department.

(r) (1) A grantee that receives funds and administer rental assistance programs pursuant to this chapter shall meet the requirements of Chapter 6 (commencing with Section 1179.08) of Title 3 of Part 3 of the Code of Civil Procedure.

(2) A grantee shall provide notification to the landlord and tenant when either the landlord or the tenant submits a completed application for rental assistance.

(3) A grantee shall provide notification to the landlord and tenant once a final decision has been rendered. The notification shall include the total amount of assistance paid and the time period for which assistance was provided, as applicable.

(4) Failure to comply with the requirements of this subdivision may result in the grantee's share of funds received from the state pursuant to Section

50897.2 or 50897.2.1 reverted to the department for reallocation at the department's discretion.

(s) For purposes of this section:

(1) "Rental debt" includes rent, fees, interest, or any other financial obligation under a lease for use and occupancy of the leased premises, but does not include liability for torts or damage to the property beyond ordinary wear and tear.

(2) "Specified time period" means the period of time for which payment is provided, as specified in the agreement entered into with the landlord.

SEC. 23. Section 50897.2 of the Health and Safety Code is amended to read:

50897.2. (a) (1) A grantee that has a population of 500,000 or greater shall be eligible to receive a block grant allocation from the department.

(2) A grantee with a population of 499,999 or less, but greater than 200,000, may request an allocation of block grant funds pursuant to this section, in the form and manner prescribed by the department. The department shall grant a request for an allocation of block grant funds pursuant to this paragraph if the grantee attests and, in the department's judgment, demonstrates that it has established a program consistent with the requirements of this chapter and has the capability to implement the resources provided in accordance with applicable state and federal law, including this chapter and Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

(3) A grantee that is not eligible for, or does not receive, an allocation of block grant funds pursuant to this section shall receive its proportionate share of funds in accordance with the state reservation table, as provided in Section 50897.3.

(4) A grantee that receives a block grant pursuant to this section shall attest to the department, in the form and manner prescribed by the department, that it will distribute assistance equitably and consistent with demonstrated need within the jurisdiction.

(5) To receive funds pursuant to this section, an applicant shall agree to utilize its direct allocation of assistance from the Secretary of the Treasury pursuant to Section 501 of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) in a manner consistent with this chapter. Refusal to comply with this paragraph shall result in the applicant being prohibited from receiving state block grant funds and may result in the department recouping block grant funds that are spent in a manner inconsistent with this chapter.

(6) A grantee that receives funds pursuant to this section shall not institute additional programmatic requirements that may inhibit participation in the rental assistance program.

(7) A grantee that applies for assistance under this section may apply for an award allocation through an authorized representative, without its legislative body expressly adopting an ordinance or resolution authorizing that application, provided that it later authorizes a representative of the eligible grantee with legal authority to bind the eligible grantee to the terms



and conditions of the award before executing the agreement with the department.

(8) The department shall allocate all funds made available for purposes of this section, in consultation with the Department of Finance. The initial allocation shall be completed and shared no later than February 19, 2021.

(b) Block grant funds allocated pursuant to this section shall be used for those eligible uses and compensation requirements specified in, and subject to the applicable requirements of, Section 50897.1.

(c) The deadlines for the allocation and use of block grant funds pursuant to this section shall be as follows:

(1) A grantee shall request that allocation from the department no later than February 12, 2021. If a grantee fails to request the allocation by that date, the moneys that would have otherwise been allocated to that grantee shall instead be used to provide assistance in accordance with Section 50897.3.

(2) A grantee that receives block grant funds under this section shall contractually obligate at least 65 percent of those funds by August 1, 2021.

(d) (1) (A) Subject to subparagraph (B), if a grantee that receives block grant funds under this section fails to contractually obligate the minimum amount of those funds by the deadline specified in paragraph (2) of subdivision (c), the grantee shall repay to the department any unused amount of block grant funds allocated to it not contractually obligated or expended.

(B) The department may waive the requirement to repay funds pursuant to subparagraph (A) if the grantee demonstrates, to the satisfaction of the department, that it will contractually obligate and expend any unused block grant funds allocated to it within the timeframes specified in federal law.

(2) The department may reallocate any funds repaid pursuant to paragraph (1) for purposes of this section. In reallocating those funds, the department shall prioritize allocating additional funding to grantees based on factors that include unmet need, rate of application submissions, rate of attrition, and rate of expenditures.

(e) A grantee participating in the program pursuant to this section shall enter into a standard regulatory agreement with the department that includes terms and conditions consistent with the requirements set forth in this section.

(f) A grantee that receives an allocation of block grant funds pursuant to this section shall be solely responsible for compliance with all applicable management, implementation, and reporting requirements established under state and federal law.

(g) The requirements of this section shall apply only to the administration of Round 1 funds.

SEC. 24. Section 50897.2.1 is added to the Health and Safety Code, to read:

50897.2.1. (a) (1) A grantee that has a population of 500,000 or greater shall be eligible to receive a block grant allocation from the department.

(2) A grantee with a population of 499,999 or less, but greater than 200,000, may request an allocation of block grant funds pursuant to this section, in the form and manner prescribed by the department. The

department shall grant a request for an allocation of block grant funds pursuant to this paragraph if the grantee attests and, in the department's judgment, demonstrates that it has established a program consistent with the requirements of this chapter and has the capability to implement the resources provided in accordance with applicable state and federal law, including this chapter and Section 3201 of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2).

(3) A grantee that is not eligible for, or does not receive, an allocation of block grant funds pursuant to this section shall receive its proportionate share of funds in accordance with the state reservation table, and those funds shall be administered as provided in Section 50897.3.1.

(4) A grantee that receives a block grant pursuant to this section shall attest to the department, in the form and manner prescribed by the department, that it will distribute assistance equitably and consistent with demonstrated need within the jurisdiction.

(5) To receive funds pursuant to this section, an applicant shall agree to utilize its assistance made available from the Secretary of the Treasury pursuant to Section 3201 of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2) in a manner consistent with this chapter. Refusal to comply with this paragraph shall result in the applicant being prohibited from receiving state block grant funds and may result in the department recouping block grant funds that are spent in a manner inconsistent with this chapter.

(6) A grantee that receives funds pursuant to this section shall not institute additional programmatic requirements that may inhibit participation in the rental assistance program.

(7) A grantee that applies for assistance under this section may apply for an award allocation through an authorized representative, without its legislative body expressly adopting an ordinance or resolution authorizing that application, if it later authorizes a representative of the eligible grantee with legal authority to bind the eligible grantee to the terms and conditions of the award before executing the agreement with the department.

(b) Block grant funds allocated pursuant to this section shall be used for those eligible uses and compensation requirements specified in, and subject to the applicable requirements of, Section 50897.1 and, upon approval by the department, other eligible uses provided in Section 3201(d)(1)(D) of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2).

(c) The deadlines for the allocation and use of block grant funds pursuant to this section shall be as follows:

(1) A grantee shall request that allocation from the department no later than 30 calendar days after the operative date of this section. If a grantee fails to request the allocation by that date, the moneys that would have otherwise been allocated to that grantee shall instead be used to provide assistance in accordance with Section 50897.3.1.



(2) An Option B grantee that receives block grant funds under this section shall contractually obligate at least 75 percent of its first tranche of state funds by October 31, 2021.

(3) An Option B grantee that receives block grant funds under this section shall contractually obligate 50 percent of its total share of state funds by January 31, 2022.

(d) (1) (A) Subject to subparagraph (B), if a grantee that receives block grant funds under this section fails to contractually obligate the minimum amount of those funds by the deadline specified in paragraph (2) of subdivision (c), or to obligate the full amount of that allocation by the deadline specified in paragraph (3) of subdivision (c), the grantee shall repay to the department any unused amount of block grant funds allocated to it not contractually obligated or expended.

(B) The department may waive the requirement to repay funds pursuant to subparagraph (A) if the grantee demonstrates, to the satisfaction of the department, that it will contractually obligate and expend any unused block grant funds allocated to it within the timeframes specified in federal law.

(2) The department may reallocate any funds repaid pursuant to paragraph (1) for purposes of this section. In reallocating those funds, the department shall allocate funding to grantees based on factors that include unmet need, rate of application submissions, rate of attrition, and rate of expenditures.

(e) A grantee participating in the program pursuant to this section shall enter into a standard regulatory agreement with the department that includes terms and conditions consistent with the requirements of this section.

(f) An Option B grantee shall be solely responsible for compliance with all applicable management, implementation, and reporting requirements established under state and federal law.

(g) The requirements of this section shall apply only to the administration of Round 2 funds.

SEC. 25. Section 50897.3 of the Health and Safety Code is amended to read:

50897.3. (a) (1) (A) The department may contract with a vendor to serve as the program implementer to manage and fund services and distribute emergency rental assistance resources pursuant to this section. A vendor selected to serve as program implementer shall demonstrate sufficient capacity and experience to administer a program of this scope and scale.

(B) The program implementer shall have existing relationships with community-level partners to ensure all regional geographies and target communities throughout the state have access to the program.

(C) (i) The program implementer shall have the technological capacity to develop and to implement a central technology-driven application portal and system that serves landlords and tenants, has mobile and multilanguage capabilities, and allows an applicant track the status of their application. The application system shall have the capacity to handle the volume of expected use without disruption.

(ii) The system shall begin accepting applications no later than March 15, 2021 and be available 24 hours a day, seven days a week, with 99 percent planned uptime rating.

(iii) The system shall support, at minimum, a database of 1,000,000 application records.

(iv) The system shall support at minimum 20,000 concurrent full-access users, allowing users to create, read, update and delete transactions based upon their user role.

(D) (i) The program implementer shall demonstrate experience with developing and managing direct payment or grant programs, or direct payment and grant programs, including, but not limited to, program and application development, outreach and marketing, translation and interpretation, fraud protections and approval processes, secure disbursement, prioritizing the use of direct deposit, customer service, compliance, and reporting.

(ii) The program interface shall include, but not be limited to, the following:

(I) Capable such that either the landlord or the tenant may initiate an application for assistance and that both parties are made aware of the opportunity to participate in the rental assistance program and accept the program parameters.

(II) Appropriate notifications to ensure that both parties understand that rental assistance is awarded in rounds of funding based on eligibility and that the eligible household is reminded that payment is ultimately being provided directly to the landlord, but the payment will directly address the eligible household's rental arrears or prospective rent, as applicable.

(III) Notification to both parties, including the landlord and the eligible household, respectively, of the initiation and completion of the application process, whether the process is initiated by the landlord or the eligible household. Upon payment, the program implementer shall provide an electronic record that payment has been made and keep all records available for the duration of the program, or as otherwise provided under state or federal law.

(E) The program implementer shall be able to manage a technology-driven duplication of benefits process in compliance with federal law.

(F) The program implementer shall comply with all state protections related to the use of personally identifiable information, including providing any necessary disclosures and assuring the secure storage of any personally identifiable information generated, as part of the application process.

(G) The program implementer shall coordinate its program activities with education and outreach contractors and any affiliated service or technical assistance providers, including those that reach non-English speaking and hard-to-reach households, with considerations for racial equity and traditionally underserved populations.

(2) The department may establish a contract with one or more education and outreach contractors to conduct a multilingual statewide campaign to promote program participation and accessibility.

(3) In accordance with paragraphs (1) and (2), the department shall seek contracted solutions that minimize total administrative costs, such that savings may be reallocated for use as direct assistance.

(4) The department may receive rental assistance program funding from localities or federally recognized tribes to administer on their behalf in a manner consistent with this chapter.

(b) (1) (A) A county with a population less than or equal to 200,000 and any grantee that is eligible for, but did not receive, a direct allocation of assistance from the Secretary of the Treasury pursuant to Section 501 of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) shall receive assistance pursuant to the state reservation table, to be administered in accordance with this section.

(B) A grantee that was eligible for, but did not receive, a direct allocation of assistance from the Secretary of the Treasury pursuant to Section 501 of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) and was eligible for, but did not receive, block grant assistance under Section 50897.2 shall receive its proportionate share of assistance, as determined by the state reservation table, to be administered in accordance with this section.

(2) (A) A grantee that was eligible for, but did not receive, block grant funds pursuant to Section 50897.2, and has elected to administer its direct share of assistance provided under Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), shall have its proportionate share of block grant funds administered pursuant to this section.

(B) (i) To minimize legal liability and potential noncompliance with federal law, specifically those violations described in Section 501(k)(3)(B) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), the department, or, if applicable, the program implementer, shall request that grantees described in this paragraph enter into a data sharing agreement for the purpose of preventing unlawful duplication of rental assistance to eligible households.

(ii) Notwithstanding any other law, a grantee that enters into a data sharing agreement required by this subparagraph may disclose personally identifying information of rental assistance applicants to the department or the program implementer for the purposes described in this subparagraph.

(iii) A grantee described by clause (ii) shall provide all applicable data, as determined by the department, before the department or program implementer begins administering funds within the grantee's jurisdiction.

(C) Except as otherwise provided in subparagraph (B), a grantee that is subject to assistance provided under this paragraph and received a direct allocation from the Secretary of the Treasury pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) shall not be eligible for administrative and technical assistance provided by the department, including, but not limited to, support for long-term monitoring and reporting.

(D) The state, the department, or the program implementer acting on behalf of the department, shall be indemnified from liability in the administration of assistance pursuant to this paragraph, specifically any violation described in Section 501(k)(3)(B) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

(3) To the extent permitted by federal law, a grantee that elects to participate in the program as provided in this section, and that received rental assistance funding directly from the Secretary of the Treasury pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), shall add those funds received directly from the Secretary of the Treasury and any share of rental assistance funding provided pursuant to Section 50897.2 to the funds allocated to it pursuant to this section. Except as otherwise provided in paragraph (1) of subdivision (d), the total amount of funds described in this subparagraph shall be used by the grantee in accordance with this section. Participation shall be conditioned upon having an executed standard agreement with the Department.

(4) To the extent permitted by federal law, a federally recognized tribe that receives rental assistance funds directly from the Secretary of the Treasury pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) may add its direct federal allocation of funds to be administered pursuant to this section. Participation shall be conditioned upon having an executed standard agreement with the department.

(c) Funds allocated pursuant to this section shall be used for those eligible uses specified in, and subject to the applicable requirements of, Section 50897.1.

(d) (1) Except as otherwise provided in paragraph (3), a grantee that receives funds pursuant to this section shall contractually obligate 65 percent of those funds no later than August 1, 2021. The department may, in its discretion, reallocate any funds allocated to a grantee that are not contractually obligated by that date to other grantees based on factors that include unmet need, rate of application submissions, rate of attrition, and rate of expenditures.

(2) Funds administered on behalf of a federally recognized tribe as provided in paragraph (4) of subdivision (b) are not subject to the requirements of this subdivision.

(e) (1) In any legal action to recover rent or other financial obligations under the lease that accrued between April 1, 2020, and September 30, 2021, before entry of any judgment in the plaintiff's favor, the plaintiff shall verify both of the following under penalty of perjury:

(A) The landlord has not received rental assistance or other financial compensation from any other source corresponding to the amount claimed.

(B) The landlord does not have any pending application for rental assistance or other financial compensation from any other source corresponding to the amount claimed.

(2) In any unlawful detainer action seeking possession of residential rental property based on nonpayment of rent or any other financial obligation under the lease, the court shall not enter a judgment in favor of the landlord unless the landlord verifies all of the following under penalty of perjury:

(A) That the landlord has not received rental assistance or other financial compensation from any other source corresponding to the amount demanded in the notice underlying the complaint.

(B) That the landlord has not received rental assistance or other financial compensation from any other source for rent accruing after the date of the notice underlying the complaint.

(C) That the landlord does not have any pending application for rental assistance or other financial compensation from any other source corresponding to the amount demanded in the notice underlying the complaint.

(D) That the landlord does not have any pending application for rental assistance or other financial compensation from any other sources for rent accruing after the date of the notice underlying the complaint.

(f) Notwithstanding any other state or local law, policy, or ordinance, for purposes of ensuring the timely implementation of resources pursuant to this section a grantee that has a population greater than 200,000 may enter into an agreement with the department to have its share of funds administered pursuant to this section by the department and may redirect those funds to the department for that purpose.

(g) (1) Except as provided in paragraph (2), the requirements of this section shall apply only to the administration of Round 1 funds.

(2) Subdivision (e) shall apply to the administration of Round 1 and Round 2 funds.

SEC. 26. Section 50897.3.1 is added to the Health and Safety Code, to read:

50897.3.1. (a) (1) The department may contract with a vendor to serve as the program implementer to manage and fund services and distribute emergency rental assistance resources pursuant to this section and consistent with the requirements of Section 50897.3.

(2) The department may establish a contract with one or more education and outreach contractors to conduct a multilingual statewide campaign to promote program participation and accessibility.

(3) In accordance with paragraphs (1) and (2), the department shall seek contracted solutions that minimize total administrative costs so that savings may be reallocated for use as direct assistance.

(4) The department may receive rental assistance program funding from localities or federally recognized tribes to administer on their behalf in a manner consistent with this chapter.

(b) (1) (A) A county with a population less than or equal to 200,000 and any grantee that is eligible for, but did not receive, a direct allocation of assistance from the Secretary of the Treasury pursuant to Section 3201 of Subtitle B of Title III of the federal American Rescue Plan Act of 2021

(Public Law 117-2) shall receive assistance pursuant to the state reservation table to be administered pursuant to this section.

(B) A grantee that was eligible for, but did not receive, a direct allocation of assistance from the Secretary of the Treasury pursuant to Section 3201 of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2) and was eligible for, but did not receive, block grant assistance under Section 50897.2.1 shall receive its proportionate share of assistance pursuant to the state reservation table to be administered pursuant to this section.

(2) (A) A grantee that was eligible for, but did not receive, block grant funds pursuant to Section 50897.2.1 and has elected to administer its direct share of assistance provided under Section 3201 of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2) shall have its proportionate share of block grant funds administered pursuant to this section.

(B) (i) To minimize legal liability and potential noncompliance with federal law, specifically those violations described in Section 501(k)(3)(B) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), the department, or, if applicable, the program implementer, shall request that Option C grantees enter into a data sharing agreement for the purpose of preventing unlawful duplication of rental assistance to eligible households.

(ii) Notwithstanding any other law, an Option C grantee that enters into a data sharing agreement as pursuant to this subparagraph may disclose personally identifying information of rental assistance applicants to the department or the program implementer for the purposes described in this subparagraph.

(iii) An Option C grantee described in clause (ii) shall provide all applicable data information, as determined by the department, before when the department, or program implementer, begins administering funds within the grantee jurisdiction.

(C) Except as otherwise provided in subparagraph (B), an Option C grantee shall not be eligible for administrative and technical assistance provided by the department, including, but not limited to, support for long-term monitoring and reporting.

(D) The state, the department, or the program implementer acting on behalf of the department shall be indemnified from liability in the administration of assistance pursuant to this paragraph, specifically with respect to a violation described in Section 501(k)(3)(B) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

(E) (i) An Option C grantee shall not be eligible to have assistance administered on its behalf if the department determines the structure of the grantee's local rental assistance program would put the state's share of funds at risk of being recouped by the United States Treasury pursuant to Section 3201(e) of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2).



(ii) If, within 90 days of the effective date of this section, the department determines that an Option C grantee cannot satisfy the requirements of this subparagraph, the grantee's share of state funds shall be reallocated by the department to grantees based on factors that include unmet need, rate of application submissions, rate of attrition, and rate of expenditures.

(iii) Option C grantees that have funds reallocated pursuant to clause (i) may be eligible to receive funds, up to their total share of the state reservation table, upon demonstrating to the department the grantee has unmet need and funds would not be at risk of being recouped by the United States Treasury pursuant to Section 3201(e) of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2).

(3) To the extent permitted by federal law, a grantee that elects to participate in the program as provided in this section and that received rental assistance funding directly from the Secretary of the Treasury pursuant to Section 3201 of Subtitle B of Title III of the American Rescue Plan Act of 2021 (Public Law 117-2) shall add those funds received directly from the Secretary of the Treasury and any share of rental assistance funding provided pursuant to Section 50897.2.1 to the funds allocated to it pursuant to this section. Except as provided in paragraph (1) of subdivision (d), the total amount of funds described in this paragraph shall be used by the grantee in accordance with this section. Participation shall be conditioned upon having an executed standard agreement with the department.

(4) To the extent permitted by federal law, a federally recognized tribe that receives rental assistance funds directly from the Secretary of the Treasury pursuant to Section 3201 of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2) may add its direct federal allocation of funds to be administered pursuant to this section. Participation shall be conditioned upon having an executed standard agreement with the department.

(c) Funds allocated pursuant to this section shall be used for those eligible uses specified in and subject to the applicable requirements of Section 50897.1 and other eligible uses provided in Section 3201(d)(1)(D) of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2).

(d) A grantee that receives funds administered pursuant to this section shall contractually obligate those funds as follows:

(1) (A) A grantee participating in the state rental assistance program pursuant to Option A shall contractually obligate at least 75 percent of its first tranche of state funds by October 31, 2021.

(B) A grantee participating in the state rental assistance program pursuant to Option A shall contractually obligate at least 50 percent of its total share of state funds by January 31, 2022.

(2) (A) A grantee participating in the state rental assistance program pursuant to Option C shall contractually obligate at least 75 percent of its first tranche of state funds by October 31, 2021.

(B) A grantee participating in the state rental assistance program pursuant to Option C shall contractually obligate at least 50 percent of its total share of state funds by January 31, 2022.

(3) In reallocating funds pursuant to this subdivision, the department or, if applicable, the program implementer acting on behalf of the department, shall allocate unused funds to eligible grantees based on factors that include unmet need, rate of application submissions, rate of attrition, and rate of expenditures.

(4) Funds administered on behalf of a federally recognized tribe, pursuant to paragraph (4) of subdivision (b), are not subject to the requirements of this subdivision.

(e) Notwithstanding any other law, for purposes of ensuring the timely implementation of resources pursuant to this section, a grantee that has a population greater than 200,000 may enter into an agreement with the department to have its share of funds administered pursuant to this section by the department and may redirect those funds to the department for that purpose.

(f) The requirements of this section shall apply only to the administration of Round 2 funds.

SEC. 27. Section 50897.4 of the Health and Safety Code is amended to read:

50897.4. (a) Each Round 1 and Round 2 grantee shall provide to the department information relating to all applicable performance metrics, as determined by the department.

(b) Funds provided to a grantee under this chapter shall be subject to the same reporting and verification requirements specified in Section 501(g) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260). The grantee shall, in addition, provide any other information that the department deems necessary for purposes of this chapter, including, but not limited to, weekly funding obligation, expenditure, and projection reports.

(c) To the extent feasible, each grantee shall ensure that any assistance provided to an eligible household under this chapter is not duplicative of any other state-funded rental assistance provided to that eligible household.

(d) (1) The department shall submit to the Joint Legislative Budget Committee, on a monthly basis for the duration of the program, a report that provides programmatic performance metrics for funds administered pursuant to this chapter. The report shall include, at minimum, the following information:

(A) Obligation of funds for assistance provided under this chapter.

(B) Expenditure of funds for assistance provided under this chapter.

(C) Expenditure by eligible uses for assistance provided pursuant to this chapter.

(D) Reallocation of funds, if any, for assistance provided pursuant to this chapter.

(E) Geographic distribution of funds provided pursuant to Section 50897.3.



(F) For the first monthly report submitted pursuant to this section only, an overview of which jurisdictions have elected to participate in the state rental assistance programs as provided in Sections 50897.2 and 50897.3, respectively.

(2) A report required to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 28. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 29. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 30. The Legislature finds and declares that Sections 11 and 13 of this act, which amend Sections 1161.2 and 1161.2.5 of the Code of Civil Procedure, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

This act balances the public's right to access records of judicial proceedings with the need to protect the privacy and future housing needs of tenants facing financial distress due to COVID-19.

SEC. 31. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to address the hardships imposed by the COVID-19 pandemic on tenants and landlords in California as soon as possible, it is necessary that this act take immediate effect.

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**From:** [Ed Elsner](#)  
**To:** [City Council Public Comment](#)  
**Subject:** Fwd: Public Comment for Feb. 15, 2023, Regular City Council Meeting (Item 13)  
**Date:** Wednesday, February 15, 2023 9:52:17 AM  
**Attachments:** [Gmail - DRAFT Ad Hoc Report and Call for Meeting.pdf](#)  
[Gmail - DRAFT.pdf](#)

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**CAUTION:** This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

[Hello City Clerk, I made some edits to my public comment submitted earlier this morning and added an attachment, Thank you.]

If you're looking for an objective review of the Citygate report and Claro Group forensic analysis, you won't find it in the finance ad hoc committee report.

A number of the committee's "findings" included serious deficiencies that had already been called out in the 80-page Citygate report, such as delayed bank reconciliations, inadequate accounting period closing procedures, and the lack of an accounting policies and procedures manual.

Despite this, the committee gave no attribution to Citygate and instead went out of its way to discredit the Citygate report.

The committee was more concerned with promoting a conspiracy narrative that the Citygate report was corruptly procured by former city manager Stephanie DeWolfe to cover up fraudulent activity.

At the time the Citygate report was commissioned, DeWolfe had been working for the City for about four months, so the corruption narrative requires a suspension of disbelief from the outset.

To support the corruption narrative, the committee reported that "A review of City Clerk files on the City website files did not find any evidence of a competitive bidding process as per the City's typical procedures," suggesting that DeWolfe violated City purchasing policy in connection with the Citygate contract.

What the committee did not say is that professional services contracts such as the Citygate contract are expressly exempt from competitive bidding under the City code.

This was a deliberate omission, as the committee had been made aware of the exemption.

In a similar vein, the committee used its own definition of asset misappropriation ("providing contracts/not charging fees to third-parties due to personal relationships"), which it falsely attributed to Investopedia, to support its conclusion that there was "possible asset misappropriation" on DeWolfe's part, i.e., because of a personal relationship between DeWolfe and the Citygate consultant, who both worked for the City of Pasadena during 2009-2012.

The corruption narrative is at odds with the actual content of the Citygate report.

If the intent of the Citygate report was to cover up financial irregularities, the plan backfired, as Citygate exposed a troubling lack of internal controls that had existed for years.

Again, no credit was given to Citygate for that.

Citygate also provided a comprehensive list of recommendations to enhance the prevention, detection and reporting of fraudulent activity, which would seem counterproductive to a cover-up.

The corruption narrative is even more tenuous in light of the Claro Group's forensic analysis, which found no evidence of asset misappropriation.

There is no reference to the Claro Group analysis anywhere in the ad hoc committee report.

The committee was charged with assessing the necessity of a forensic audit, so you'd think the Claro Group analysis might be worth a look.

When I resigned from the committee in March 2022, the committee was winding up its affairs after 18 months of existence.

I had wanted to see a systematic review and discussion of the subject matter before the final report was drafted, like a normal committee would do, but that wasn't going to happen.

So the committee agreed on a compromise drafting process which, although not perfect, was intended to ensure at least some objectivity; however, the agreed-upon drafting process was not followed (more context is provided in the attached email dated March 1, 2022).

A draft report was circulated which quoted allegations from a lawsuit filed by a former City employee that the Citygate report was a "sham," but like the final report, the draft did not address any of the Citygate report's specific findings and recommendations.

During my 18-month tenure on the committee, there had been zero discussion about the Citygate report; it had not been distributed to the committee members, and there was no link to the report in the draft.

Nevertheless, one committee member said the draft looked "great," and another committee member was ready to approve the draft "as written."

To me, all of this confirmed that the drafting process was hopelessly compromised, and that the bias against DeWolfe was so entrenched that some committee members could not or would not acknowledge that the Citygate report had any credibility.

There were plenty of well-deserved criticisms to be made of DeWolfe, but the committee went overboard.

The caveat that "It was not within the scope of the FAHC to make any conclusions as to

whether any inappropriate activities *had* occurred or the intentions behind any individual activities described in the report” (original italics) does not mitigate the committee’s lack of balance and restraint.

Last, the statement in the ad hoc committee’s transmittal memo that “seven ***fully-voting*** members of the FAHC” (original bold and italics) met and approved the committee’s final report is not accurate.

After the 2020 election, both Steve Rossi and Bob Joe ceased to be members of the committee because they were no longer eligible to serve as the committee’s two appointed City Council members.

Jon Primuth and Jack Donovan were appointed in their place, and the new City Council never took the necessary action to reappoint Rossi or Joe to the committee as resident members.

I brought this to the attention of the committee, but nothing came of it (see attached email dated October 3, 2021).

Of course, all of the committee members including myself felt it was appropriate for Rossi to continue participating, as the committee was his idea in the first place.

The committee should have just disclosed that in the final report instead of embellishing Rossi’s status.

Ed Elsner

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## DRAFT Ad Hoc Report and Call for Meeting

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Ed Elsner

Tue, Mar 1, 2022 at 9:43 AM

To: Stephen Rossi

Cc: Peter Giulioni

, Greg Chun

, William Cullinane

, Fred Findley

, Edward Corey

, Jon Primuth

&lt;jprimuth@southpasadenaca.gov&gt;, Jack Donovan &lt;jdonovan@southpasadenaca.gov&gt;

After the committee's final meeting with finance department staff last year, an outline of a summary report was circulated that included a variety of topics that had not been reviewed by the committee.

At the weekend morning coffee meeting where the outline and the drafting of the final summary report were discussed, I expressed concern about how this could affect the perception of the committee's work and the legitimacy of the final report.

There was discussion at that meeting and afterwards about the committee's scope in relation to assessing the necessity of further audits.

With committee scope unsettled, Jon Primuth suggested as a way of moving forward that Steve Rossi and I work on a draft of the final report.

Anticipating that there would be differences on whether or how certain topics should be addressed, Steve and I would attempt to resolve those differences, to agree on language to be included in the draft, and to flag unresolved issues for consideration by the committee as a whole.

While not a perfect substitute for group deliberation prior to the drafting of a final report, this was an expedient process I was willing to try at the time.

However, the agreed-upon process was not followed.

While there was some initial preliminary dialogue with Steve after I wrote my draft, three months passed with no activity. I did not have the opportunity to preview the many edits and additions in Steve's new draft that was circulated last week, and the new draft does not acknowledge or flag points of disagreement.

If the shoe was on the other foot, at minimum I would have asked Steve to give the new draft a once-over before it was circulated to the committee, given the quantity and nature of the edits and additions.

One fundamental point of disagreement is the language defining the scope of the committee. My draft quoted the final scope document that was reviewed and approved by the City Council and then used to guide the committee's work. During the preliminary dialogue with Steve three months ago, I articulated how the quoted language supported an interpretation of limited committee scope. In the new draft, Steve has deleted the quoted language and replaced it with different language from an earlier staff report.

One example of new material in Steve's draft is the Citygate report, which the committee never reviewed as a group (and which to my recollection was not formally distributed to the committee). This 80-page report has 36 findings and 44 recommendations with clear and familiar relevance to the work of the committee, but Steve's draft does not discuss this content or provide a link to the report itself. Without critical evaluation, the draft repeats allegations from a lawsuit that the report was a "sham."

Seemingly validating the lawsuit's allegations of corruption, Steve's draft states that "A review of the City Clerk files on the City's website did not uncover a Request for Proposal issued by the City to find potential consultants that could provide the review, as per normal City practice." However, competitive bidding is not required for professional services contracts like the Citygate contract.

In short, Steve's draft overlooks significant and relevant nuance while misstating applicable requirements.

On a related note, the committee may wish to review the archived video of the June 24, 2020, City Council meeting to hear Councilmember Mahmud's comments about the Citygate report in context.

There are numerous other points of disagreement.

Whatever the reasons may be, the agreed upon-drafting process was not followed. The product is a flawed, unfinished document that I do not endorse, and I am stepping down from the committee. To avoid any confusion or misunderstandings, I want to be clear that I do

not endorse any part of the draft, regardless of authorship, and no representation should be made otherwise. Please remove my name from the document and this email chain.

It has been a pleasure working with all of you, and best of luck.

Ed Elsner

[Quoted text hidden]

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**DRAFT**

Ed Elsner

Sun, Oct 3, 2021 at 3:18 PM

To: William Cullinane

Cc: Stephen Rossi

, Greg Chun

Fred Findley

, Charles Li -

Gmail, Edward Corey, Peter Giulioni, Jack Donovan

&lt;jdonovan@southpasadenaca.gov&gt;, Jon Primuth &lt;jprimuth@southpasadenaca.gov&gt;

Hello everyone,

Attached are several documents relating to the formation of the committee that would be germane to a discussion of a final committee report whenever the discussion may occur.

Also, the [archived video](#) of the September 16, 2020, City Council meeting provides additional background on the scope of the committee's work and Brown Act issues (starting at 2:54:50).

Last, in reviewing the history of the committee over the last few days, I discovered a loose end should be tied up, which is that it appears that the City Council never took action to appoint Steve Rossi as a "resident elector" member of the committee after he left City Council.

To provide background, ensuring the continuity of Steve's membership on the committee was a priority of the Finance Commission when it discussed the formation of the committee in the fall of 2020.

To address that priority, I made a suggestion that the Council simply appoint "Steve Rossi" the individual to the commission, as opposed to Steve Rossi in his capacity as a councilmember. Although the intent of the suggestion was practicality and to avoid things slipping through the cracks, the suggestion got laughs but no traction.

The commission ended up approving a recommendation that the committee include 2 City Council members, 2 Finance Commissioners, and 3 resident electors, with one of the resident elector positions to be reserved for Steve if he did not continue on the Council after the election.

What the City Council ended up doing was to appoint Rossi and Joe as the 2 councilmember committee members, Findley and Elsner as the 2 Finance Commission committee members, and William Cullinane, Ed Corey, Greg Chun, Peter Giulioni, and Charles Li as the resident elector committee members.

The City Council did not approve a 6th resident elector position to be reserved for Rossi if he was not elected to City Council. At the October 7, 2020, meeting where the 5 resident elector committee members were appointed, it was expressly stated that the Council would need to take further action to appoint Rossi as a resident elector committee member if he did not continue on the Council after the election.

I've searched the agendas and some of the minutes (not all of the minutes have been posted online) for subsequent regular and special City Council meetings and could not find if and when the City Council took the necessary action. If someone else can, please weigh in.

Otherwise, to ensure the legitimacy of any report the committee may issue, the City Council should take action as soon as possible to appoint Steve as a resident elector member of the committee (or retroactively ratify Steve's membership if that is a possibility) so that there is no question concerning his role on the committee.

Ed

[Quoted text hidden]

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**4 attachments****09-16-2020 Updated Additional Documents.pdf**

410K

**09-16-2020 City Council Regular Meeting Amended Agenda, Staff Report.pdf**

2149K

**09-28-2020 City Council Special Meeting Agenda and Staff Report.pdf**

707K

**10-07-2020 City Council Regular Meeting Agenda, Staff Report, Scope and Purpose.pdf**

3609K