



**CITY OF SOUTH PASADENA  
CITY COUNCIL  
AND  
HOUSING AUTHORITY - BOARD OF DIRECTORS**

**AGENDA**

**SPECIAL MEETING  
WEDNESDAY, DECEMBER 6, 2023, 6:01 P.M.**

**AMEDEE O. "DICK" RICHARDS JR. COUNCIL CHAMBERS  
1424 MISSION STREET, SOUTH PASADENA, CA 91030**

**NOTICE ON PUBLIC PARTICIPATION & ACCESSIBILITY**

The joint special meeting of the South Pasadena City Council and the South Pasadena Housing Authority will be conducted in-person from the Amedee O. "Dick" Richards, Jr. Council Chambers, located at 1424 Mission Street, South Pasadena, CA 91030 and the teleconference location. Pursuant to Assembly Bill 361 Government Code Section 54953, subdivision (e)(3), the City Council may conduct its meetings remotely and may be held via video conference.

Public Comment regarding items on the Closed Session Meeting agenda only will be taken at the beginning of the meeting. The public will be released from the meeting so that the City Council/Housing Authority may convene Closed Session discussion of items allowed under the Government Code. Any reportable action taken in Closed Session will be reported by the City Attorney during the next Open Session meeting. A separate Zoom link will be provided for the Open Session for the public to attend.

Public participation may be made as follows:

- In-Person – Council Chambers, 1424 Mission Street, South Pasadena, CA 91030 and the teleconference location.
- Live Broadcast via the City website – [http://www.spectrumstream.com/streaming/south\\_pasadena/live.cfm](http://www.spectrumstream.com/streaming/south_pasadena/live.cfm)
- Via Zoom – **Meeting ID: 825 9999 2830**
- Written Public Comment – written comment must be submitted by 12:00 p.m. the day of the meeting by emailing to [ccpubliccomment@southpasadenaca.gov](mailto:ccpubliccomment@southpasadenaca.gov).
- Via Phone – +1-669-900-6833 and entering the Zoom Meeting ID listed above.

Meeting may be viewed at:

1. Go to the Zoom website, <https://zoom.us/join> and enter the Zoom Meeting information; or
2. Click on the following unique Zoom meeting link: <https://us06web.zoom.us/j/2264427248?pwd=aEFuSGszQ2l5WjJkemoTms0RTIVUT09>; or
3. By calling: +1-669-900-6833 and entering the Zoom Meeting ID listed above; and viewing the meeting via [http://www.spectrumstream.com/streaming/south\\_pasadena/live.cfm](http://www.spectrumstream.com/streaming/south_pasadena/live.cfm)

**CALL TO ORDER:**

Mayor/Chair

Jon Primuth

**ROLL CALL:**

Mayor/Chair

Jon Primuth

Mayor Pro Tem/Vice Chair

Evelyn G. Zneimer

Councilmember/Authority Member

Jack Donovan

Councilmember/Authority Member

Michael A. Cacciotti

Councilmember/Authority Member

Janet Braun

**PUBLIC COMMENT**

**SPECIAL SESSION AGENDA ITEM**

**1. CONSIDERATION OF APPROVAL OF THE THIRD AMENDMENT TO THE LEASE AGREEMENT FOR 1507 AND 1503 EL CENTRO STREET**

Recommendation

It is recommended that the City Council, serving as the Board of Directors of the South Pasadena Housing Authority:

1. Approve the Third Amendment to the Lease Agreement for the South Pasadena Housing Authority owned property located at 1503 and 1507 El Centro Street; and
2. Authorize and direct the City Manager, serving as the Executive Director of the South Pasadena Housing Authority, to enter into the Third Amendment to the Lease Agreement for the property at 1503 and 1507 El Centro Street

**CERTIFICATION OF POSTING**

*I declare under penalty of perjury that I posted this notice of agenda for the meeting to be held on **December 6, 2023**, on the bulletin board in the courtyard of City Hall located at 1414 Mission Street, South Pasadena, CA 91030, and on the City website as required by law, on the date listed below.*

11/30/2023

/S/

Date

Lucila Urzua, Deputy City Clerk



# Housing Authority Agenda Report

ITEM NO. 1

**DATE:** December 6, 2023

**FROM:** Arminé Chaparyan, City Manager *AC*  
and Executive Director of the South Pasadena Housing Authority

**PREPARED BY:** Angelica Frausto-Lupo, Community Development Director  
Leah Demarest, Senior Planner for Housing Programs

**SUBJECT:** **Consideration of Approval of the Third Amendment to the Lease Agreement for 1503 and 1507 El Centro Street**

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## **Recommendation**

It is recommended that the City Council, serving as the Board of Directors of the South Pasadena Housing Authority:

1. Approve the Third Amendment to the Lease Agreement for the South Pasadena Housing Authority owned property located at 1503 and 1507 El Centro Street; and
2. Authorize and direct the City Manager, serving as the Executive Director of the South Pasadena Housing Authority, to enter into the Third Amendment to the Lease Agreement for the property at 1503 and 1507 El Centro Street.

## **Executive Summary**

The South Pasadena Housing Authority owns property at 1503 and 1507 El Centro Street, which is leased to tenants for use as a community theater. The lease agreement provided for a lease term through October 31, 2011, whereafter the lease converted to a month-to-month tenancy. The lease agreement was amended in March 2022 to establish an expiration date of March 31, 2024, for the month-to-month tenancy to allow the City to facilitate the development of a 100% affordable housing project on these two parcels and an adjacent Housing Authority-owned parcel ("site"), pursuant to Program 2.b of the City's 2021-2029 Housing Element. With the City committing in the Housing Element to building permit issuance by 2025, staff has drafted a Third Amendment to the Lease Agreement ("third amendment") extending the expiration date to January 31, 2025.

## **Background**

The Community Redevelopment Agency of the City of South Pasadena, of which the South Pasadena Housing Authority ("Housing Authority" or "lessor") is the successor agency, entered into lease agreement dated November 15, 2009 ("lease") with the tenant ("lessee") concerning the real property located at and commonly known as 1503 and 1507 El Centro Street, in the City of South Pasadena. The two Housing Authority-owned parcels are improved with a parking lot and a building that is used by the lessee as a

community theater known as the South Pasadena Theatre Workshop. The lease provided for a lease term through October 31, 2011, whereafter the lease converted to a month-to-month tenancy.

The lease was amended on July 16, 2014, to, among other things, change the monthly rent amount and acknowledge transfer of ownership of the real property to the lessor.

The lease was amended a second time on March 16, 2022, to establish an expiration date of March 31, 2024, for the hold over month-to-month tenancy. This amendment was made to allow the City to facilitate the development of a 100% affordable housing project on these two parcels and an adjacent Housing Authority-owned parcel (“site”), pursuant to Program 2.b of the City’s 2021-2029 Housing Element. In the Housing Element, the City commits to building permit issuance by 2025.

The lessee has recently requested an extension of the lease term. The City has also begun to prepare the site for affordable housing development by declaring the three Housing Authority-owned properties exempt surplus under the Surplus Land Act, authorizing the properties to be put out to open, competitive bid, and contracting with the San Gabriel Valley Council of Governments for technical assistance in the preparation of a financial analysis, conceptual designs, and a Request for Proposals (RFP) for the development of a 100% affordable housing project at the site.

### **Analysis**

The proposed third amendment will be effective immediately. The proposed third amendment uses the same form of previous amendments and changes the expiration date for the hold over month-to-month tenancy from March 31, 2024, to January 31, 2025.

Staff established this new expiration date based on the City’s commitment in the Housing Element to issue building permits for the 100% affordable housing project on the site by 2025. Staff anticipates releasing the RFP in early December (2023) to ensure that building permits can be issued by year end, 2025. In addition to obtaining building permits, a number of other milestones need to be met before a project is shovel ready and the lessee will need to vacate the property. The City must review the proposals, select a developer, and negotiate with the developer before entering into a development agreement. The developer must secure financing sources and entitlements, among other predevelopment activities.

The City has included a statement in the RFP that the selected developer must agree to continue to lease the property to the lessee through the expiration date if the lessee desires.

### **Fiscal Impact**

This revenue has already been estimated for the 2023-24 fiscal year in Housing Authority account 228-0000-0000-4880-0000. The proposed third amendment will provide up to 10 additional months of rental revenue to the City’s Housing Authority account in the 2024-

Third Amendment to the Lease Agreement – 1503 and 1507 El Centro St  
December 6, 2023  
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25 fiscal year. With a monthly rent of \$2,925, this will total \$29,250 from April 2024 through January 2025.

**Key Performance Indicators and Strategic Plan**

This item aligns with Strategic Plan priority 5, Plan for Affordable Housing to Comply with State Mandates and Respond to Community Needs.

**Commission Review and Recommendation**

This item was not reviewed by a commission or board.

**Attachment:**

1. Proposed Third Amendment to the Lease Agreement for 1503 and 1507 El Centro Street

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# **ATTACHMENT 1**

Proposed Third Amendment to the Lease Agreement for 1503 and 1507 El Centro Street

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### **THIRD AMENDMENT TO THE LEASE AGREEMENT**

This Third Amendment to the Lease Agreement ("SECOND AMENDMENT") is made and entered into this 6th day of December, 2023 by and between the SOUTH PASADENA HOUSING AUTHORITY, a public body corporate and politic, ("LESSOR") and STEPHEN GODWIN AND SALLY SMYTHE, individuals, jointly and separately, as husband and wife ("LESSEE"). LESSOR and LESSEE shall collectively be known as the "PARTIES".

#### **RECITALS**

A. **WHEREAS**, LESSOR's predecessor in interest and LESSEE entered into a Lease Agreement dated November 15, 2009 ("LEASE") concerning the real property located at and commonly known as 1503 and 1507 El Centro, in the City of South Pasadena, Los Angeles County, State of California, which is improved with a building, known as the "nursery" building and a parking lot (the entirety of the real property and improvements is referred to hereafter as the "PROPERTY"); and

B. **WHEREAS**, the LEASE was amended by the Parties by entering into an Amendment to the Lease Agreement ("FIRST AMENDMENT") on July 16, 2014. Among other things, the FIRST AMENDMENT changed the amount of monthly rent payable by LESSEE, and acknowledged the transfer of ownership from the LESSOR'S predecessors in interest to the LESSOR; and

C. **WHEREAS**, the LEASE provided for a term of lease through October 31, 2011, whereafter the LEASE converted to a month-to-month tenancy; and

D. **WHEREAS**, the PARTIES acknowledge that since November 1, 2011, LESSEE has been occupying the PROPERTY on a month-to-month tenancy pursuant to the "Holding Over" provisions of Section 17 Miscellaneous of the LEASE; and

E. **WHEREAS**, the LEASE was amended by the Parties entering into a Second Amendment to the Lease Agreement ("SECOND AMENDMENT") to increase the rent commencing March 1, 2022 and to continue the month-to-month tenancy, subject to all of the covenants, conditions, and obligations contained in the LEASE and FIRST AMENDMENT, to March 31, 2024; and

F. **WHEREAS**, the LESSOR and LESSEE now mutually desire to extend such month-to-month tenancy, subject to all of the covenants, conditions, and obligations contained in the LEASE, FIRST AMENDMENT, and SECOND AMENDMENT, as amended herein.

**NOW THEREFORE**, for and in consideration of the mutual covenants and conditions contained herein, Lessor and Lessee mutually agree as follows:

**SECTION 1. Recitals.** The Recitals above are true and correct and incorporated herein by this reference.

**SECTION 2. Holding Over:** Section 17 Miscellaneous “Holding Over” of the LEASE is amended to read as follows:

Holding Over

LESSEE has held tenancy as a hold over month-to-month tenancy since November 1, 2011. LESSEE may continue to hold tenancy as a hold over month-to-month tenancy until termination, provided that LESSEE shall have no right to hold over beyond January 31, 2025. Such holding over shall be construed to be a tenancy from month to month, subject to all the covenants, conditions and obligations contained in this Lease. LESSEE may terminate the LEASE by giving LESSOR thirty days written notice of termination. LESSOR may terminate the LEASE by giving LESSEE sixty days written notice of termination. The rent shall be increased to \$2,925.00 per month during these hold over periods, commencing March 1, 2022.

The remainder of Section 17 shall remain unchanged.

**SECTION 3. Additional Remaining terms:** all other terms of the existing LEASE, FIRST AMENDMENT, and SECOND AMENDMENT not expressly or impliedly amended by this THIRD AMENDMENT shall remain unchanged and in effect.

**IN WITNESS WHEREOF**, the parties hereto have executed this Lease as of the date first above written.

**LESSEE:**

\_\_\_\_\_  
Stephen Godwin

\_\_\_\_\_  
Sally Smythe

**LESSOR:**

\_\_\_\_\_  
Arminé Chaparyan, Executive Director

**Approved as to form:**

\_\_\_\_\_  
Roxanne M. Diaz, City Attorney

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