

CARE FIRST BUDGET

Proposals for the
South Pasadena
City Budget 2021-2022

April 2021



21-22 BUDGET OUTLOOK

South Pasadena has never had more money available to improve services and facilities for residents. **“Financially, we’re doing really well,” Acting City Manager Sean Joyce told a civic gathering on April 10. Acting Finance Director and Assistant City Manager Elaine Aguilar added that the city has “healthy reserves.”**

What will the city—home to residents of substantial wealth and, on average, with higher income per capita than most cities in Los Angeles County—do to address growing economic insecurity, the region’s homelessness crisis, and accelerating global warming?

Now, more than ever, the money is available to make progress on improving services and facilities, address housing insecurity, and take steps to slow global warming. Indeed, both property tax and sales tax revenue have been higher than projected this year, even before the pandemic shutdown. **Rising property values, increased property tax revenues related to transfers, and a higher sales tax level make it possible for South Pasadena to hire the additional staff needed to achieve the city’s goals.**

In fiscal year 2021-2022, the city will benefit from one-time revenue of \$4.4 million from a cell phone tower lease agreement plus a projected infusion of \$4.8 million as a result of the recent federally-enacted American Rescue Plan Act. The Act allows cities to use the federal funds in a flexible way to meet a variety of local needs.

Overall, the general fund revenue at the end of this fiscal year (2020-21) is forecast at \$35.3 million, with spending of just \$28.3 million, leaving a **\$7 million surplus** as fiscal year 2020-21 nears a close. The federal funding through the American Rescue Plan Act will result in an estimated **\$12 million surplus**.

The 2020-21 budget just adopted shows the city has \$15.3 million of undesignated general fund reserves, plus \$7.7 million of reserve money dedicated to various projects, many of which have been planned for years, but have never come to fruition. That’s a total of \$23 million. Rainy day reserves are good, but not to the extent that services to residents are starved.

FINANCIALLY, WE'RE DOING REALLY WELL.

*Sean Joyce, Acting City Manager,
April 10, 2021*

THE CITY WILL HAVE AN ESTIMATED \$12 MILLION SURPLUS.

WHY NOW?



Never has local fiscal action been needed more, as the pandemic has taken an incalculable toll on the economic well-being of low-income and middle-income people. The pandemic has stalled environmental programs and much needed transportation improvements to enhance pedestrian and bicyclist safety. Prior to the pandemic, low- and middle-income people already had been struggling with growing income inequality, stagnant wages, and higher costs of living.

- A tidal wave of evictions is anticipated when tenants' accumulated back rent comes due as eviction moratoria sunset.
- Many people in South Pasadena are housing insecure. One-third of the city's renters are rent burdened, meaning they spend over a third of their household income on rent. Of this, about 1,000 households, or 20% of renters, are severely rent burdened, spending over half their income on rent. Renters make up 53% of our city. Meanwhile, between 2000 and 2018, median home sales prices in South Pasadena increased 223%, averaging \$1.1 million per new home. (1)
- The pandemic is expected to substantially increase the number of people experiencing homelessness in Los Angeles County. (2) By 2023, the Economic Roundtable estimates 52,000 more working-age adults will be homeless in L.A. County—nearly double the most recent estimate of approximately 66,000 unhoused people. (3)
- The pandemic dealt a severe blow to women in the workforce—particularly Black and Latinx women—as sources of child care evaporated.
- Students have suffered isolation and depression at unprecedented levels during distance learning.
- Progress on environmental programs, infrastructure improvements, and transportation projects stalled during the pandemic. The city has done little to begin implementing its new climate plan, or to adapt to an increasingly hot climate that poses a health threat.

The pandemic brought to the fore the ongoing struggle for racial justice in our city. The city's past as a sundown town continues today in more insidious ways to exclude non-whites from living and thriving here. South Pasadena is home to residents of enormous wealth and, on average, has a higher income per capita than most cities in Los Angeles County. Much of this wealth is the product of unequal opportunity in past and present governmental policies that continue to favor white people and those who are already privileged: advantage that is experienced in homeownership, lower property taxes, and higher educational attainment. South Pasadena's past racially exclusive covenants created an all-white town and contributed to the racial and economic segregation of the Greater Los Angeles area.

The city must accept responsibility for its racist policies and reverse course for itself and its place in the region.

CARE FIRST PRINCIPLES

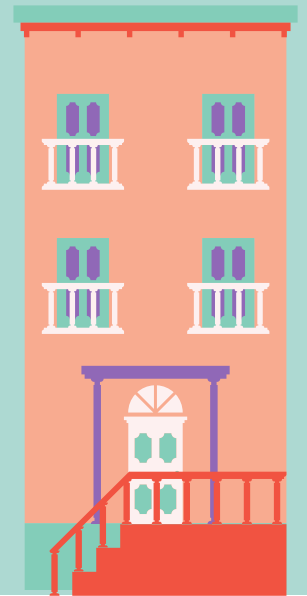
This coalition's budget proposals advance priorities to support a racially and economically inclusive future for South Pasadena and an improved environment and transportation system for all. At this juncture, rather than merely seeking a return to normal, it is imperative that South Pasadena fundamentally redirect some resources and allocate new money to address new needs and to position itself for the future. It is time for the city to modernize its structure and management processes to make sure that all of its residents are served.

Accordingly, we call for a budget for the upcoming year that will:

- **Address racial and economic inequalities as the city emerges from the pandemic in a strong fiscal position.**
- **Create new positions within City Hall, including new staffing in the areas of **Housing, Social Services, Environmental Affairs, and Transportation**; and**
- **Direct funding through specific budget line items to new purposes in areas of social services, affordable housing, racial equity, youth development, environment, transportation, and a reimagined approach to public safety that begins with budgeting for and implementing a multi-city mental health crisis response program with city money instead of waiting for county money.**

We envision a city where everyone, regardless of race or wealth, can live and travel through here safely, with dignity, and with care for each other and the environment we inhabit.

HOUSING & HUMAN SERVICES



Affordable Housing

The city should seek to preserve existing affordable housing, add more affordable housing, protect tenants from unlawful evictions, and support tenants to avoid evictions based on economic insecurity. Toward these goals, the city should budget for the following expenditures in the upcoming fiscal year:

RENTAL ASSISTANCE

As we exit the pandemic, there are lingering financial hardships, and a continuing affordability crisis facing all renters in California. Advocates expect a wave of evictions without large-scale rental assistance. The city should enact a rental assistance that shores up deficits in State and County rental assistance programs.

INCLUSIONARY HOUSING

Monitor compliance with and study the impacts of the City's inclusionary housing program including current deed-restricted housing units and below-market rate rental and for-sale housing agreements.

SECTION 8

Develop relationships with local landlords and identify vacant units to encourage landlords to accept Sec. 8 vouchers and placement of unhoused individuals. Monitor landlords' compliance with laws that prohibit discrimination based on payment type, such as Sec. 8.

NEW CITY POSITIONS

Fund two to three positions focused on affordable housing, renters' rights, and CalTrans homes within the city. The city routinely complains that it lacks resources to proactively pursue affordable housing strategies and protect renters. It took the city over three years to develop and enact an Inclusionary Housing Ordinance. Renters make up more than 50% of the city's population. An outside share of the Planning Department's resources are committed to homeowners' concerns, i.e., permitting and historic preservation. The city should show its commitment to affordable housing and tenants with dedicated staff.

CALTRANS HOMES

Monitor nonprofit affordable housing managers of CalTrans homes, and develop a stakeholder process to decide the future of these houses in our city.

HOUSING RIGHTS

Expand the contract with Housing Rights Center or another legal services provider for tenant legal assistance and full scope representation, regardless of income. We want a larger contract with a more robust set of services, including a presence at a weekly drop-in center at the War Memorial Building to address housing issues (more on p. 5, Homeless & Housing Resource Center).

RENOVATION FUNDS

The City can make (non-COVID) Community Development Block Grant (CDBG) funds available to landlords to renovate rental units to code. The receipt of grant funding must be conditioned on the landlord's covenant not to evict tenants based on 'substantial renovations' without complying with all the requirements of SPMC section 17.106 et seq.

HOUSING STOCK

Develop policies to increase affordable housing stock in South Pasadena, and study other similarly-situated cities for best practices with regard to affordable housing.

Services to People Experiencing Housing Insecurity & Homelessness

The City of South Pasadena is home to an average 12-15 permanent homeless individuals at any given time, as well as many housing-insecure residents. Currently, the City lacks adequate programs to address the needs of those experiencing housing and employment insecurity.

Given the resources available to the City through additional County, State and Federal grants, we propose a **South Pasadena Homeless & Housing Resource Center** that would provide increasingly needed supportive and preventative services and resource referrals to the unhoused and those vulnerable to homelessness. The center, modeled after a similar operation in Arcadia (4), would serve as a one-stop shop for housing and social services to the unhoused as well as low-income seniors, people with disabilities, students and others in need of housing, rental rights advice and other social services. Among services provided would be assistance and referrals for healthcare, job training and employment opportunities, education and transportation aid.



SOUTH PASADENA HOMELESS & HOUSING RESOURCE CENTER

A one-stop shop for housing and social services to the unhoused as well as low-income seniors, people with disabilities, students, and others

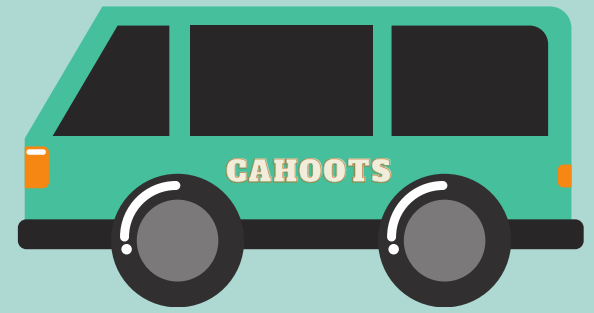
In addition to serving as a service center for case management, referral services, and housing assistance, we propose that the facility designate two days per week on which the unhoused will have access to showers and laundry. This would be in addition to permanent restrooms, a secured locker area, WiFi and charging stations available during hours of Center operations.

Potential sites for the Center may be existing South Pasadena structures (e.g., South Pasadena Recreation Division Headquarters, South Pasadena Theater Workshop, a CalTrans property, or commercial acquisition) or a trailer/modular unit housed at an appropriate and accessible location (e.g., War Memorial parking lot). The Center should be safe and welcoming. The Center can also serve as a regular hub for volunteer activities such as clothing and food distribution, donation collection days, and holiday and back-to-school giveaway events for those who qualify.

Management of the Center will require some time commitment by a City Staff member, or outside contractor.

Additionally, for homeless prevention, affordable housing access, disability rights and renters' rights, the Center would partner with the **Housing Rights Center** or another legal aid organization to have on-site presence on designated times and hours each month. Other potential partnerships will be with Foothill Workforce Development Board, LA County Public Health, Pasadena Community College and other service providers in the San Gabriel Valley. Similarly, the City would partner with **Union Station Homeless Services** to provide Homeless Case Management and Housing Navigation services at regular, weekly hours.

PUBLIC SAFETY



The city's police budget is outsized and overfunded, preventing our city from making investments in programs and services that will provide public safety in more racially and economically equitable ways. For this fiscal year, we propose a moderate approach to steer our city into a new era of public safety:

- Halting the growth of the police department with a gradual reduction of the number of officers in the coming years, and
- Immediately investing in an alternative model to policing to intervene in mental health-, substance use-, and homelessness-related crises.

In FY 20-21, the police budget occupied over one third (35%) of the General Fund at \$9.9 million. This is an increase of about \$1.5 million in the past four (4) years. FY 21-22 should see no increase in the police department's expenditures from the General Fund.

Additionally, the city should freeze hiring for the Police Department and allow attrition to reduce expenditures on policing to increasingly fund alternative approaches to public safety. Alternatives will prioritize social services, eliminate the use of lethal force, and complete streets with traffic calming features and engineered traffic controls. Such approaches, already widely being employed in surrounding cities in Southern California, increase pedestrian safety on a consistent basis across the city instead of just when motorcycle traffic officers are available to stake out dangerous intersections.

At present, there are already two unfilled positions in the Police Department, which currently has 51 filled positions. **Leaving these two positions unfilled and reprogramming the compensation money would free up enough funds going forward to pay the city's share of a West San Gabriel Valley CAHOOTS program (Crisis Assistance Helping Out on the Streets) serving several cities.** A local CAHOOTS program would provide more effective services to individuals experiencing mental health needs, such as those needing welfare checks, and individuals experiencing homelessness, such as those needing a ride to shelter. Since its founding in 1989, the original CAHOOTS program in Eugene, OR, has operated without armed workers and has never had a worker hurt on the job. We should strive to have a similar non-armed response team in South Pasadena, which would reduce the disproportionate use of force against Black and Latinx people and in the worst situations, the disproportionate shooting of Black and Latinx people by armed police officers. The reallocation of police funds to support a non-law enforcement crisis response program is widely supported by our community and likely voters polled nationally. (8)

RACIAL EQUITY IN ECONOMIC OPPORTUNITY



Given South Pasadena's history as a sundown town and the national history of discrimination against Black people, it is far past time we reckon with the very real wealth gap that exists between White and Black residents of our town. From the inception of our town, white residents have had a very real advantage to building wealth and commanding representation in our city, while Black residents have been shut out due to redlining, discrimination and racism.

Historically, Black-owned small businesses have been disproportionately affected by an environment of increasing consolidation by large corporations and the effects of the pandemic on the economy. (5) Aside from the moral mandate of aiding and promoting Black small businesses, there is a critical economic rationale. Evidence points to the multiplying factor for the overall economy when Black small businesses are created. (6)

The City of South Pasadena, utilizing funding from flexible block grants included in the American Rescue Plan, can take steps to repair its legacy by promoting and aiding existing and potential Black small business owners, as well as address poverty among our lowest earners. Here are a few ways. (7)

(1) PROVIDE INCENTIVES FOR BLACK OWNED BUSINESSES TO GROW IN SOUTH PASADENA

- Provide direct Commercial Rent Subsidies and Tax Breaks to POC-owned small businesses.
- Prioritize Black small businesses for city contracts.
- Direct Black small businesses to low-cost SBA loans.
- Provide access to trusted and affordable professional services to small business owners, like banking, accounting, marketing, web and legal services.
- Connect business owners with Entrepreneurial Support Organizations.
- Create a web page on the city website clearly outlining the incentives offered by South Pasadena to Black small businesses
- Market our city and it's incentives to potential small business owners, both inside and outside of the city to attract Black owned businesses.

(2) HOLD FREE DIVERSITY-INCLUSION COURSES WITH INVITED SPEAKERS.

(3) SPONSOR AND PROMOTE A BLACK VENDOR-OWNED ARTISAN AND FLEA MARKET.

(4) ESTABLISH AND STUDY A DEMONSTRATION GUARANTEED INCOME PROGRAM

The city should establish a demonstration Guaranteed Income program with the goals of reducing racial disparities in income and reducing poverty overall. Concurrent with the demonstration, the city should study the outcomes of the program while consulting with other Guaranteed Income programs throughout California and the country. The city could, for example, participate in the Mayors for a Guaranteed Income, <https://www.mayorsforagi.org>.

YOUTH SERVICES



(1) MAKE PRESCHOOL AND CHILD CARE WIDELY AVAILABLE AND AFFORDABLE AS PARENTS RETURN TO WORK.

Subsidize after-school and summer childcare services for all families earning less than 400% of the FPL. Provide wrap-around care for half-day kindergartners to all families who seek it. Utilize more locations for these programs, potentially cooperating with Camp Med.

(2) CREATE A CITY EMPLOYMENT PROGRAM FOR YOUTH, OFFERING PAID INTERNSHIPS.

“Early work experience is an important tool for enhancing the future employment prospects and earnings potential of low-income youth,” according to a recent article in the [*Harvard Business Review*](#).

Twenty-two percent of students have financial need, qualifying for free or reduced price lunches. Many also do not go to four-year colleges after graduating. Thirty-five percent of high school graduates either go to community college or do not go at all. Working part-time while in high school can help youth transition to the workforce and introduce them to career opportunities. Many cities, including Long Beach and San Francisco, are already providing opportunities for young people by creating and operating paid internships within city government.

(3) EXPAND YOUTH VOTING RIGHTS.

Young South Pasadenans would like to expand the right to vote in all city and school board elections to people age 16 and older. Legally, this can be done here if approved by locally-elected officials. We ask that you allocate funds to study how this would be possible, and prepare a presentation to the City Council and School Board proposing a timeline for implementation.

(4) ENHANCE MENTAL HEALTH SERVICES AVAILABLE TO SOUTH PASADENANS AGES 18 AND UNDER.

Students report that they do not have adequate access to mental health professionals at the Middle and High School. While enhanced services may be offered at the schools through SPUSD, additional options for enhanced mental health support in the community include:

- Community-based therapists and social workers in South Pasadena who will treat South Pasadenans off campus with subsidies from the city;
- Mental health hotline available to all young people in South Pasadena;
- Seminars that focus on mental health issues;
- Fresh reading materials in the library with a focus on mental, physical and sexual and reproductive health;
- Support for outdoor activities that enrich mental health.

(5) CREATE A GRANT PROGRAM THAT ACCEPTS APPLICATIONS FROM SOUTH PASADENANS AGED 18 AND YOUNGER TO DEVELOP COMMUNITY PROJECTS.

Young South Pasadenans are looking for more opportunities to get involved in the community, and they have many ideas about how to do it that would benefit from the city's support. Some of the innovative ideas for which you might see grant applications include:

- An annual community garage sale at Mission and Fremont in the empty lot. The money raised would be donated to a charity selected by the organizers.
- A program to expand composting in the community, such as by allowing collection at the Middle and High Schools for processing at the South Pasadena community garden. The products could be used in the community garden and donated to local gardeners.
- Mutual aid to feed and provide basic hygiene and clothing for people experiencing homelessness.

ENVIRONMENT & TRANSPORTATION

Environmental quality and transportation are inextricably linked. South Pasadena has adopted ambitious plans to improve the environment under its **Green Plan and Climate Action Plan** and to reduce auto use and the related environmental impacts by implementing complete streets. Yet little has been done to actually implement these plans even though grant money from the county, Metropolitan Transportation Authority, and various state and federal programs is available.

Key to ending the gridlock is to increase city staffing dedicated to these programs and including in the upcoming budget specific direction and dedicated line items. The upcoming 2021-22 budget is the place to start.



Environment

(1) HIRE AN ADDITIONAL ENVIRONMENTAL PROGRAMS MANAGER FUNDED BY THE GENERAL FUND

Currently, the existing position of Water Conservation and Sustainability Analyst is funded largely by the Water Efficiency Fee and has limited capacity to advance the city's Green Plan and Climate Action Plan. Lacking are long promised actions to extend the city's current restrictions on Styrofoam for to-go food packaging and single-use plastic bags, to additional types of single-use plastics; transition the community to electric lawn and garden equipment to reduce pollution, noise, and dust; and promote waste reduction, which in turn reduces the need to transport organic waste for composting under new state requirements. Ironically, the city has not even moved aggressively to promote water efficiency, having built up about a \$1 million surplus in its water efficiency fund. Likewise, the city has not promoted strategies to fund stormwater capture and infiltration, despite the availability of county money collected through increased property taxes since 2019 and earmarked for removal and replacement of impermeable surfaces under Measure W, passed by voters in 2018. **A new Environmental Programs Manager** would enable the city to actually implement environmental plans now gathering dust on a shelf, and tap available money to deliver the environmental benefits long promised to city residents.

(2) THE BUDGET SHOULD INCLUDE DIRECTIVES TO CITY STAFF TO IMPLEMENT SPECIFIC ELEMENTS OF THE CLIMATE ACTION AND GREEN PLANS IN THE COMING YEAR AND EACH SUCCEEDING YEAR

In the coming year, these should include developing ordinances to expand the city's restrictions on single-use plastic, transitioning to electric lawn and garden equipment (beginning with leaf blowers), and developing and implementing a plan to minimize the need for Athens to haul green and food waste to Victorville in diesel-powered trucks. The city should enable this material to be converted to mulch and compost locally by establishing and operating one or two community composting facilities, including at the community garden. The city also should establish a professionally managed restaurant-district composting program and promote and fund enhanced food-gleaning programs. Additional line items should designate funding for improved outreach and public communication programs to promote more water efficiency (drought tolerant landscaping, grey water systems, water-efficient fixtures and appliances). Finally, the city should launch a stormwater capture and infiltration program, including at the Nature Park on the Arroyo.



(3) ESTABLISH WITHIN THE BUDGET A SPECIFIC LINE ITEM FOR THE SOUTH PASADENA ARROYO SECO WOODLAND & WILDLIFE PARK (NATURE PARK)

More than 24 organizations have helped create and sustain South Pasadena's Nature Park. Since the park's inception, almost 100 educational and public outreach events have been hosted in the park, bringing in students (from elementary to college level), local conservationists, scout troops, service clubs, and local residents. Indeed, the park is one of South Pasadena's gems. However, it is unclear if the city has met its commitment to provide about \$18,000 a year for maintenance, weed and poison oak abatement, trash and graffiti removal, periodic tree trimming, and assorted other tasks. To remedy this lack of transparency, the budget should include a specific line item showing the planned annual expenditure for park maintenance.

(4) TECHNICAL SUPPORT FOR A STORMWATER INFILTRATION FEATURE AT THE NATURE PARK

County money is available under Measure W to expand the restored area of the park by funding a dry streambed, detention basin, paths, benches, restoration of native plants and trees, and interpretive signage at the Nature Park to both replenish groundwater and showcase the potential for stormwater capture to augment the city's future water supply. However, engineering support is needed to qualify for county money. The upcoming budget should include the funding needed for that engineering support, potentially through hiring a consultant or enhancing city Public Works Department staffing (for instance by authorizing needed overtime or temporary staffing), so the project can qualify for Measure W funding and be carried out.

(5) ENHANCED PUBLIC EDUCATION AND OUTREACH TO IMPROVE THE ENVIRONMENT

Many residents will voluntarily take steps to reduce their environmental impact. To that end, the city must do more to educate residents and businesses about available rebates for energy and water efficiency, electric vehicles and charging stations, waste reduction, the shade benefits of maintaining trees, active transportation, and other lifestyle and technological changes.

Transportation

Key to relieving gridlock, improving pedestrian and bicycle safety, and reducing the environmental impact of auto use is both hiring dedicated staff and allocating the coming one-time influx of money—from the cellular tower lease and under the federal American Rescue Plan Act—to pedestrian and bicycle-friendly complete street measures. The upcoming budget should therefore provide for:

(1) HIRING A TRANSPORTATION DIRECTOR

A Transportation Director would be able to monitor transportation agencies, marshal needed plans and engineering studies required to put already allocated funds from MTA and others to work, and develop a plan to fill in and interconnect existing bike paths as streets are repaved.

(2) DEDICATED GENERAL FUNDS

Some one-time revenue should be dedicated to bike lanes, especially on roads used to access local schools, and upgrading sidewalks, bus stops, and water bottle refill stations used by pedestrians and cyclists—for instance, in commercial areas.



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Endnotes

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