

CITY OF PASADENA
City Council Minutes
October 22, 2018– 5:30 P.M.
City Hall Council Chamber

REGULAR MEETING

OPENING:

Mayor Tornek called the regular meeting to order at 5:41 p.m.
(Absent: Councilmembers Gordo, Masuda)

On the order of the Mayor, the regular meeting recessed at 5:45 p.m. to discuss the following closed session:

**CITY COUNCIL CONFERENCE WITH LABOR NEGOTIATORS
pursuant to Government Code Section 54957.6**

**Agency Designated Representatives: Jennifer Curtis and
Steve Mermell**

**Employee Organization: Non-Represented Executive
Management, Non-Represented Management, and Non-
Represented Non-Management**

The above closed session items were discussed, with no reportable action at this time.

On order of the Mayor, the regular meeting reconvened at 6:30 p.m. The pledge of allegiance was led by Councilmember Wilson.

ROLL CALL:

Councilmembers:

Mayor Terry Tornek
Vice Mayor John J. Kennedy
Councilmember Victor Gordo (Absent)
Councilmember Tyron Hampton
Councilmember Steve Madison
Councilmember Gene Masuda (Absent)
Councilmember Margaret McAustin
Councilmember Andy Wilson

Staff:

City Manager Steve Mermell
City Attorney/City Prosecutor Michele Beal Bagneris
City Clerk Mark Jomsky

CEREMONIAL MATTERS

The City Clerk administered the oaths of office to Jessica Bowles-Martinez as Transportation Advisory Commissioner, Beverly Morgan-Sandoz as Commissioner on the Status of Women, and Blair Salisbury as a Member of the Pasadena Center Operating Company.

Michelle Perera, Library Director, introduced a number of library volunteers, Library Associate members and Library commissioners, and thanked the group for their voluntary service in support of Pasadena libraries and the community. The Mayor presented a proclamation to Mary Downey, President of Friends

of the Pasadena Public Library, and Arnold Siegel, Library Commissioner, declaring October 21, 2018 through October 26, 2018 as "National Friends of Libraries Week."

**PUBLIC COMMENT ON
MATTERS NOT ON THE
AGENDA**

The following individuals advocated for permanent supportive housing, and urged the City to move forward with construction of the Heritage Square South Housing project:

Charles Dillingham, Pasadena resident
Jon Dillingham, Pasadena resident
Catherine Bagley, Pasadena resident
George Patton, Throop Unitarian Universalist Church
(TUUC)
Rev. Tera Klein, TUUC
Peter Hartgens, Pasadena resident

Francisco Vargas, Pasadena resident, asked for assistance with safety and health concerns at his residence, 2433 White Street, and expressed concerns with the yearly increase of rents in the City.

City Manager Mermell responded that staff will contact Mr. Vargas regarding his concerns.

Angel Marti Castillo, Pasadena resident, expressed concerns with evictions occurring at 120 South Roosevelt Avenue and the negative impacts of such actions.

In response to Councilmember McAustin's request for an update on the Heritage Square South Housing project, City Manager Mermell responded that it was discussed at an Economic Development Technology Committee meeting, where staff was provided direction, and is currently working on the report, which will be presented to the City Council in the future.

CONSENT CALENDAR

Item discussed separately

**FINANCE COMMITTEE: QUARTERLY INVESTMENT
REPORT – QUARTER ENDING JUNE 30, 2018**

Recommendation: This report is for information purposes only.

**FINANCE COMMITTEE: APPROVAL OF AN AGREEMENT
WITH LOS ANGELES COUNTY TO ACCEPT AND
ADMINISTER \$8 MILLION IN MENTAL HEALTH SERVICES
ACT INNOVATION GRANT FUNDS FOR TRANSITION AGE
YOUTH AND GERIATRIC EMPOWERMENT MODEL
PROGRAMS**

**FINANCE COMMITTEE: AMENDMENT TO THE FISCAL YEAR
2019 OPERATING BUDGET TRANSFERRING 1.0 PROGRAM
COORDINATOR III FROM THE FIRE DEPARTMENT TO THE
CITY MANAGER'S OFFICE**

Recommendation:

(1) Find that the action proposed in the agenda report is not a "project" as defined in State CEQA Guidelines Section 15378(b); and

(2) Approve an amendment to the Fiscal Year 2019 Operating Budget transferring 1.0 Program Coordinator III (PCN 5323), the position and appropriations, from the Fire Department to the City Manager's Office (Budget Amendment No. 2019-12)

2018 LOCAL AGENCY BIENNIAL NOTICE OF AMENDMENT OF PASADENA CONFLICT OF INTEREST CODE

Recommendation: This notice is required by law for information purposes only.

APPROVAL OF MINUTES

October 1, 2018
October 8, 2018

CLAIMS RECEIVED

Claim No. 13,172	Law Offices of Paul Kingston, representing Jason Winbush	\$	Not stated
Claim No. 13,173	Knarik Chaparian		2,165.57

PUBLIC HEARING SET

December 3, 2018, 7:00 p.m. – Appeal of the Design Commission's Decision to Approve an Application for Concept Design Review for a New 5-Story, Mixed-Use Development with 42 Residential Units and 5,729 Square Feet of Commercial Space with Three Levels of Subterranean Parking on a Currently Vacant Lot – 233 North Hudson/737 East Walnut Street

It was moved by Vice Mayor Kennedy, seconded by Councilmember McAustin, to approve all items on the Consent Calendar, with the exception of Item 2 (Approval of Agreement with Los Angeles County to Accept and Administer \$8 Million in Mental Health Services Act Innovation Grant Funds), which was discussed separately. (Motion unanimously carried) (Absent: Councilmembers Gordo, Masuda)

**CONSENT ITEMS
DISCUSSED SEPARATELY**

FINANCE COMMITTEE: APPROVAL OF AN AGREEMENT WITH LOS ANGELES COUNTY TO ACCEPT AND ADMINISTER \$8 MILLION IN MENTAL HEALTH SERVICES ACT INNOVATION GRANT FUNDS FOR TRANSITION AGE YOUTH AND GERIATRIC EMPOWERMENT MODEL PROGRAMS

Recommendation:

(1) Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA"), pursuant to Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15378 of the State CEQA Guidelines, and as such, no

environmental document pursuant to CEQA is required for the project;

(2) Authorize the City Manager to enter into an agreement with the Los Angeles County Department of Mental Health (DMH) to accept and administer Mental Health Services Act (MHSA) Innovation 2 grant funds on behalf of the City of Pasadena;

(3) Amend the Public Health Department's Fiscal Year (FY) 2019 Operating Budget by recognizing and appropriating funds of \$2 million in DMH MHSA Innovation grant funding and increasing the department's personnel allocation by 13.20 Full-Time Equivalents (FTE), grant-funded, limited-term positions;

(4) Authorize the City Manager to enter into a contract, without competitive bidding, pursuant to City Charter Section 1002(F), Contracts for Professional or Unique Services, with Heritage Clinic for geriatric services for one year with three one year renewals, at the discretion of the City Manager and contingent on continued grant funding, in an amount not-to-exceed \$590,450 per year; and

(5) Grant the proposed contract an exemption from the competitive selection process pursuant to Pasadena Municipal Code Section 4.08.049(B), contracts for which the City's best interests are served, for the reasons stated in the body of the agenda report (Contract No. 23,049, 31342, Budget Amendment No. 2019-11)

Michael Jonson, Director of Public Health, provided a PowerPoint presentation on the item, and responded to questions.

The Mayor, Chair of the Finance Committee, summarized the discussion on the item at the Finance Committee meeting, and the Committee's approval of staff's recommendation.

Following discussion, it was moved by Councilmember Wilson, seconded by Councilmember Hampton, to approve the staff recommendation. (Motion unanimously carried) (Absent: Councilmembers Gordo, Masuda)

PUBLIC HEARINGS

PUBLIC HEARING: JOINT ACTION OF THE CITY COUNCIL AND PASADENA PUBLIC FINANCING AUTHORITY (PPFA) – TAX EQUITY AND FISCAL RESPONSIBILITY ACT (TEFRA) HEARING AND ADOPTION OF RESOLUTIONS RELATED TO THE 2018 SERIES A&B ROSE BOWL REFUNDING BONDS

Recommendation: It is recommended that the City Council:

(1) Find that the proposed action is not a project subject to California Environmental Quality Act (CEQA) as defined in Section 21065 of CEQA and Section 15378 of the State CEQA

Guidelines and as such, no environmental document pursuant to CEQA is required for the project;

(2) Hold a TEFRA hearing, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") regarding the issuance of the tax-exempt lease revenue bonds ("Tax-Exempt Bonds") by the Pasadena Public Financing Authority. Under the Code, the Tax-Exempt Bonds may qualify for tax exemption under Section 103 of the Code only if the Tax-Exempt Bonds are approved by the "applicable elected representative" of both the governmental unit issuing the Tax-Exempt Bonds or on behalf of which the Tax-Exempt Bonds are to be issued, and a governmental unit having jurisdiction over the area in which the Project is located after a public hearing held following reasonable public notice;

(3) Adopt a resolution of the City Council of the City of Pasadena approving the issuance of lease revenue refunding bonds in an amount not-to-exceed \$50,000,000, including approval for purposes of internal revenue Code Section 147(f), and the execution and delivery of a second amendment to amended and restated lease, third amendment to amended and restated sublease, purchase agreement, continuing disclosure agreement, preliminary official statement and final official statement in connection therewith, and authorizing the taking of certain other actions in connection therewith; and

(4) Approve the termination of the swap with Deutsche Bank.

Recommendation: It is recommended that the Pasadena Public Financing Authority:

(1) Hold a public hearing, pursuant to Section 6586.5(a)(2) of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. At the public hearing the Authority will consider whether the issuance of the bonds will provide "significant public benefits." "Significant public benefits" include, among others, demonstrable savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs; and

(2) Adopt a resolution of the Board of the Pasadena Public Financing Authority authorizing the issuance of lease revenue refunding bonds in an amount not-to-exceed \$50,000,000 and the execution and delivery of a second amendment to amended and restated lease, third amendment to amended and restated sublease, purchase agreement, escrow agreement, preliminary official statement and final official statement in connection therewith, and authorizing the taking of certain other actions in connection therewith. (Resolution No. 9679, PPFA No. 29)

The City Clerk opened the public hearing; and reported that the public hearing notice was published in the Pasadena Journal and

the Pasadena Weekly on October 4, 2018; and that the City Clerk's office received 1 letter in favor of the item, which was distributed, posted on-line, and made part of the public hearing record.

Matt Hawkesworth, Director of Finance, provided introductory comments, and Vic Erganian, City Treasurer, provided a PowerPoint presentation on the item and responded to questions.

The Mayor, Chair of the Finance Committee, summarized the discussion on the item at the Finance Committee meeting, and the Committee's approval of staff's recommendation.

Councilmember Madison requested, in the future, when an item is presented to the Rose Bowl Operating Company prior to the City Council, that staff include information on the discussion and recommendation from that meeting.

Following discussion, it was moved by Councilmember Madison, seconded by Councilmember Hampton, to close the public hearing. (Motion unanimously carried) (Absent: Councilmembers Gordo, Masuda)

Councilmember McAustin left the dais at 7:26 p.m.

Following further discussion, it was moved by Councilmember Madison, seconded by Councilmember Wilson, to approve the staff recommendation. (Motion unanimously carried) (Absent: Councilmembers Gordo, Masuda, McAustin)

**RECOMMENDATIONS FROM
OFFICERS AND
DEPARTMENTS**

**POTENTIAL MODIFICATIONS TO THE TENANT
PROTECTION ORDINANCE PASADENA MUNICIPAL CODE
CHAPTER 9.75**

Recommendation:

- (1) Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment;
- (2) Receive the report on potential modifications to the Tenant Protection Ordinance Pasadena Municipal Code Chapter 9.75; and
- (3) Provide any further direction to staff.

City Manager Mermell and William Huang, Director of Housing, provided introductory comments, and Jim Wong, Senior Project Manager, provided a PowerPoint presentation on the item; and responded to questions.

Councilmember Madison expressed concerns with Option No. 3: Expand Tenant Protection Ordinance (TPO) applicability to units vacated for property upgrades and re-occupancy at higher rent, as it would be difficult to determine if a property owner would re-rent units at a higher cost.

The Mayor expressed concerns with the term "good standing" when referring to a tenants rental status, stating the need for it to be clearly defined.

Councilmember McAustin expressed concerns in terms of fairness for a property owner in having to pay relocation benefits under the circumstance when the property owner would like to occupy the property with a family member.

The following individuals provided suggestions and/or comments related to the proposed modifications to the City's tenant protection ordinance:

Aaron Markowitz, Pasadena Tenants Union (PTU)
Angel M. Castillo, PTU
Nicole Hodgson, PTU (distributed literature)
Janet Gagnon, Apartments Association of Greater Los Angeles (AAGLA)
Chris Estrada, PTU
Joseph Bautista, PTU
Beverly Kenworthy, California Apartment Association Los Angeles
Leon Khachooni, Foothill Apartment Association (FAA)
Laura Olhasso, Pasadena Foothills Association of Realtors
Ed Washatka, Pasadena resident
Amer Hanna, Pasadena resident
Paul DeJoseph, Pasadena resident
Kimberly Douglas, Pasadena resident

Councilmember Wilson expressed concerns with the lack of data on evictions, requested additional information on the issues driving the proposed amendments. He asked staff to conduct public meetings to receive community feedback.

Councilmember McAustin spoke in support of aspects of Option No. 1, "Require landlords to pay TPO relocation benefits to all tenants," and recommended that staff revise the TPO to address long-term tenancy. She supported additional community engagement, including tenants, Apartment Owners Association, and Pasadena Foothills Association of Realtors.

Councilmember McAustin also spoke on the need for staff to address and clarify the applicability proposed changes to the TPO will have on Accessory Dwelling Units (ADU's) and multi-family units. She expressed concerns with modifying the TPO to the extent that it might be considered a defacto rent control measure.

Councilmember Madison expressed concerns with the unintended consequences of thumbing the scale economically and spoke in support of TPO Option No. 2, Increase or eliminate 140% Area Median Income (AMI) income cap, including the current circumstances.

The Mayor echoed Councilmember McAustin's comments, and expressed concerns with situations involving tenants who live in apartments for an extended period of time and are in good standing, but then find themselves subject to an eviction notice. He believes such situations without protections, and with limited options, are fundamentally unfair.

Councilmember Wilson asked staff to also consider how to prevent property owners from artificially accelerating rent increases that forces tenants out of their homes.

Vice Mayor Kennedy expressed concern with the lack of community input prior to staff presenting recommended amendments to the City's TPO; and asked staff to research and gather information from various tenant organizations and return to the City Council for further discussion.

Councilmember Hampton asked staff to further define "Multi-family" related to the TPO, and noted his own preference that ADU units should be exempt from the City's TPO.

Following discussion, by consensus of the City Council, and on order of the Mayor, the information was received and filed.

**PUBLIC COMMENT ON
MATTERS NOT ON THE
AGENDA** Continued

The following individuals expressed concerns and/or provided comments related to the passing of an ordinance that allows the conversions of hotels/motels to construct affordable and/or permanent supportive housing:

Shant Dergazarian, Pasadena resident
Jay D. Rinehart, Pasadena resident
Felicia Williams, Pasadena resident
Toni Beach, Arcadia resident
Salina Chinn, Pasadena resident
Amresh Jain, Pasadena resident

Andrea Hsu, Animal Medical Hospital
Amer Hanna, Pasadena resident
Sarkis Karaoghlian, Pasadena resident

Ed Washatka, Pasadena resident, spoke on the 16th Annual Women for Racial Justice Breakfast event held October 22, 2018 and the lack of City employees present.

The following individuals advocated for permanent supportive housing, and urged the City to move forward with construction of the Heritage Square South Housing project:

Barbra Bowman, Pasadena resident
Anthony Manousos, Greater Pasadena Affordable Housing Group (GPAHG)

The Mayor and Councilmembers Wilson and McAustin, spoke on the struggles of housing homelessness in the City and spoke on the successful permanent supportive housing projects, such as Marv's Place and Centennial Place, and the hotel/motel conversation ordinance process.

City Manager Mermell reported that approximately 62 questions were submitted to staff at the October 17, 2018 public meeting related to the possible conversion of the Ramada Inn on Colorado Blvd., and that a response to those questions will be provided and posted on-line by Tuesday, October 23, 2018.

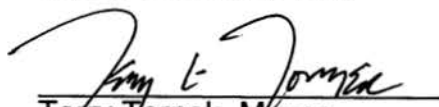
COUNCIL COMMENTS

Councilmember McAustin spoke on the start of discussions related to the Water Integrated Resource Plan (WIRP), involving a diverse stakeholders group made up of a majority of women.

Vice Mayor Kennedy spoke on the 2018 Men Educating Men About Health Gala that was held on Saturday, October 20, 2018, where they honored Pasadenans for their work in the community.

ADJOURNMENT

On order of the Mayor, the regular meeting of the City Council adjourned at 9:23 p.m.


Terry Tornek, Mayor
City of Pasadena

ATTEST:


City Clerk