



May 24, 2022

**RE: Care First Budget 2022-2023
Public Comment for the May 25 Proposed Budget Workshop**

Dear Mayor Cacciotti and City Councilmembers,

Thanks for the opportunity for Care First South Pasadena to comment on the City of South Pasadena's proposed 2022-23 budget. Before presenting our specific suggestions, Care First wants to call the big picture to your attention.

Going into the upcoming fiscal year, the City General Fund is projected to have a balance of \$23,481,130. This represents money collected through taxes for public goods, which to date hasn't been spent to deliver public goods. Looking at the City's total fund balance, including enterprise accounts and various grants and revenues received mostly for infrastructure improvements, there is an additional \$56,934,032 that's accumulated and hasn't been spent to improve infrastructure or provide public services. That brings the City's total unspent reserves to \$79,779,992. This doesn't count federal Coronavirus State and Local Fiscal Recovery Funds, which adds another \$6 million to the General Fund reserve balance. And while the list of needs grows—including the state's number one problem of affordable housing and a deepening canyon of economic inequality—under the proposed budget, reserves are projected to grow to \$87,341,135 by the end of fiscal year 2022-2023, not counting whatever will be left of federal funds granted for pandemic relief.

City Finance Director Ken Louie put the large balance of unspent money collected from residents and businesses into perspective at a Finance Commission budget meeting on May 16. He told commissioners that while the City Council has established a goal of having a 30% General Fund reserve (i.e., cash on hand or held in liquid investment accounts) the amount of the General Fund reserve has grown to 60%. This presents a picture of a city that is sitting on its hands as it starves services by not hiring enough staff to implement worthy programs and projects, much less develop new programs to meet ever-changing and unaddressed needs.

Care First, therefore, requests that the City Council loosen the reins on city hiring and budgeting in the 2022-23 budget to enable an era of rapid progress in addressing the long-neglected needs for social services, environmental improvement, and infrastructure modernization. The City can well afford to do so and can't hide behind the long-repeated refrain that we're broke.

With the passage of the historic Sundown Town Resolution in 2022, the City has already committed to these principles of budgeting and policymaking to create a more racially and economically equitable city. This must continue with the City's budget, where public dollars should be used for public benefit.

The Care First Budget focuses on racial and economic equity. We are also supportive of progress on the environment and infrastructure, which we do not discuss here.

1. South Pasadena Police Department

Care First opposes any increase to the SPPD budget for this upcoming fiscal year, with the exception of increases in wages as required by the negotiated labor agreement for existing officers. As in years past, the police department occupies the largest portion of the city General Fund budget out of all city services and departments. SPPD proposes a budget of **\$10.68 million** from the General Fund, equivalent to **one-third of all proposed expenditures and a 7.3% increase from last fiscal year**. In comparison, the Fire Department has the second highest expenditures of the General Fund at \$6.58 million, with Community Development (including affordable housing development) trailing at only \$2.99 million, Community Services for seniors, youth, and all other residents at \$1.54 million, and Environmental Services at \$304,979.

2018 - 2019	2019 -2020	2020 - 2021	2021 - 2022 (Budgeted)	2022 - 2023 (Proposed)
\$8,391,436	\$9,171,740	\$10,398,243	\$9,960,831	<u>\$10,684,973</u>
Percent change from previous year	9.30%	13.37%	-4.21%	<u>7.27%</u>

Historical SPPD Budget (FY 2018-2023)

For the past two years, Care First has advocated for the City to re-evaluate its budget decisions on public safety, with public opinion shifting to support more expansive views of public safety other than policing. Last year, the City reallocated \$200,000 from the police budget to fund the city’s first mobile crisis response team. We wholeheartedly supported this effort.

More should be done in this direction to invest in approaches to public safety *other than policing*. Below, we propose several programs and services that will make our community safe without the need for use of force, surveillance, arrests, and dependence on any part of the carceral system. The economic needs of our time call for nothing less.

The City should continue to examine SPPD’s expenditures and its efficacy in achieving public safety for all residents. What are the city’s public safety needs? How are police services currently being utilized? Are Latinx and Black people disproportionately stopped or arrested by the police? Indeed, these are all questions that SPPD and the City have yet to answer, despite the City’s year-long search for a contractor to start its assessment of SPPD’s operations.

For these reasons, any increase in SPPD’s budget for the next fiscal year requires substantial justification on how more spending is necessary for the city’s public safety. Without such justification, the requested increases should not be approved. Specifically:

- By far, SPPD’s largest expenditures are in officer and civilian staff salaries, overtime, and retirement benefits. SPPD proposes to fill two officer vacancies. SPPD suggests that filling these vacancies would reduce overtime, which exceeded expectations or budgeted

costs this year. Yet SPPD's requested overtime for the next fiscal year is the same as it was this year at \$792,000 (actual expenditures for this year are not provided). At the same time, it is also requesting about \$200,000 more in retirement expenditures. What are the essential and nonessential overtime costs? What are the long-term retirement costs of hiring more officers? Until these questions can be answered and debated, the City should not approve the filling of these two positions.

- We absolutely oppose the proposed \$30,000 lease of Flock Camera Systems. This is a new surveillance system (license plate readers) that has not been vetted by the Public Safety Commission or at any public forum. We have serious civil liberty and privacy concerns with installing a new surveillance system, and making a fundamental change in policing policy through the budget process.
- The SPPD budget proposes purchasing two additional vehicles at \$120,000. Are these vehicles a part of the City's Green Action Plan that will move SPPD toward electrification of its fleet? Why are two additional vehicles needed? Until these questions can be answered and debated, the City should not approve the purchase of these vehicles.

Rather than spend more on policing, the City should fund programs and positions that promote the health and safety of our entire community. Care First proposes the following: Rental Assistance Program; Housing Resource Center; City Position Dedicated to Diversity, Equity, and Inclusion; and Expanded Child Care.

2. Rental Assistance Program

Care First requests \$500,000 to pilot a citywide rental assistance program for low- to moderate-income individuals and families. This funding would be used to subsidize rental payments and assist renters to negotiate with landlords. The City can use funds from federal COVID relief funding and/or unused fund reserves.

The housing crisis in California and throughout Los Angeles County is at an all-time high. South Pasadena, along with all local jurisdictions, should alleviate rising rent burdens and protect more individuals from entering homelessness. Second to building more affordable housing, rental assistance for permanent housing is the next most effective program in preventing homelessness. Most of South Pasadena stands to benefit from a citywide rental assistance program that will provide a safety net for individuals and families who are facing financial difficulties.

Over half (53%) of South Pasadena's households are renters, and over half (52%) of renters are low- to moderate-income (households earning less than \$92,750 per year) based on Los Angeles County's median income. South Pasadena has 879 extremely low-income households (earning less than \$33,800 per year). There are only about 10 households with flexible Section 8 vouchers in the city, and there are no dedicated Section 8 vouchers for units in South Pasadena. Among low- and moderate-income renters, most are rent-burdened, meaning they pay more than 30% of their income toward rent. This also means that many of these households are vulnerable to missing rent and being evicted as soon as they face a loss in income.

There are currently 766 single-parent households, a decline from 924 single-parent households in 2010. Reasons for the decline in single-parent households in the city may be due to untenable living costs here. As stated in the city’s *Housing Element* draft report, “[h]ousing opportunities for lower-income single-parent households with children can primarily be addressed through rental assistance and the provision of affordable rental units.”

South Pasadena renters are feeling the crush of California’s rising housing costs, and the City must address the unaffordability crisis head on. To put this into perspective, the lowest rent price for a one-unit bedroom in South Pasadena is about \$1,400 and two-bedroom is \$1,795; on the high end, these units are priced at about \$2,600 and \$3,450, respectively.

**The housing data in this section are taken from the *2021-2029 General Plan Housing Element Revised Public Review Draft* (April 2022), <https://www.southpasadenaca.gov/home/showpublisheddocument/29345/637860448360470000>.

3. A to Z Housing Resource Center

Care First proposes a one-stop shop for housing and social services for tenants at risk of eviction, and people experiencing housing insecurity and homelessness. We envision this as an “A to Z Housing Resource Center.”

The City should use a portion of the \$6 million in federal COVID relief funding to assist individuals in the community who are at risk of losing housing or experiencing homelessness. The A to Z Housing Resource Center would contract with local service agencies—such as Union Station Homeless Services, Neighborhood Legal Services of Los Angeles, Housing Rights Center, Foothill Workforce Development Board, LA County Public Health, and Pasadena Community College—to provide services at a weekly drop-in center. At the drop-in center, tenants with questions about rent and evictions could seek legal assistance. Individuals experiencing homelessness can connect with Union Station caseworkers about the services they need to improve their quality of life and dignity and help facilitate their exit from homelessness. For example, people experiencing homelessness may seek assistance connecting with public benefits, transportation, and job training and employment opportunities. The Center should be at a central location in South Pasadena with wireless internet access and charging stations for cell phones.

4. Sundown Town Resolution Implementation

South Pasadena passed a historic resolution in 2022 apologizing for its past as a sundown town and past practices of institutionalized racism. The City committed to several actions to promote racial equity moving forward. Among other policies and programs, the City “will evaluate policies, procedures, ordinances, programs, goals, and missions to foster an unbiased and inclusive environment, where no person or group is subject to discrimination, harassment, or disproportionate economic harm on the basis of race, ancestry, national origin, color, religion, sex or sexual orientation.” To implement these actions, the City needs at least one full-time managerial or staff position.

Care First requests at least \$150,000 from the General Fund, federal COVID relief funding, and/or other sources to hire a new position that will advance the City's diversity, equity, and inclusion efforts.

5. Expanded Child Care Options for Working Families

Care First proposes that the City fund the expansion of Camp Med to assist families in the community who need full day childcare for their Transitional Kindergarten (TK) and Kindergarten-age children. The City should use federal COVID relief funds and/or other parts of the General Fund to supplement the cost of Camp Med and make it free for all families.

It is too often assumed that "families" are made up of two-parent households, and that in affluent neighborhoods, households are wealthy enough to have one stay-at-home parent or pay for costly daycare. This is not true.

While the South Pasadena Unified School District provides Kindercare, children are accepted on a lottery basis, and only around 65% of families that enter the lottery get in. This is unacceptable in a school district as highly rated and robust as our School District, and unacceptable in a city like South Pasadena, that prides itself as a family community.

Many families in the area would greatly benefit from a more widely available before-school and after-school care program such as Camp Med. Expanding Camp Med to include TK and Kindergarten-age children would ease the burden and stress of working parents in the community looking for safe childcare options.

We recognize that a California Bill, [Assembly Bill 1973](#), would require school districts to offer full-day kindergarten programs to all students, starting in the 2025-26 school year. We look forward to its approval, but until the legislation is passed and becomes law, expanding Camp Med would be the least South Pasadena could do for its working families.

Thank you for your consideration.

Sincerely,

Care First South Pasadena