



**BLACK
LIVES
MATTER**
SOUTH PASADENA



 Transition South Pasadena



April 6, 2021

An Open Letter to South Pasadena:

South Pasadena needs a robust community-based budget process for fiscal year 2021-22 that enables the voices of community groups and all residents to fully be heard. This is particularly important as the city emerges from the pandemic after a year of cuts and program slowdowns, yet at the same time suddenly finds itself in a financial position to expand and improve services, programs, and facilities for residents.

Contrary to expectations, sales and property tax revenues are exceeding even pre-pandemic projections. In addition, the city will benefit from about \$9 million of one-time revenue from a recent cell phone tower lease and an infusion of federal funds under the recently enacted American Rescue Plan Act. All told, over the coming year, general fund revenue will have swelled to almost \$40 million, after spending just \$28 million this fiscal year, which ends on June 30.

In the meantime, the pandemic has taken an incalculable toll on the economic well-being of low-income and middle-income people. Prior to the pandemic, low- and middle-income people already had been struggling with growing income inequality, stagnant wages, and higher costs of living.

- Eviction moratoria have stalled rent payments for those who have suffered COVID-related economic losses, but a tidal wave of evictions is anticipated when tenants' accumulated back rent comes due.
- 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

¹ SCAG, Pre-Certified Local Housing Data for the City of South Pasadena, pp. 4, 12, 14 (Aug. 2020), https://scag.ca.gov/sites/main/files/file-attachments/southpasadena_he_0920.pdf?1603172968.

² Fleming, Daniel, et al. Locked Out: Unemployment and Homelessness in the COVID Economy. Economic Roundtable, January 11, 2021. Available online at <https://economicrt.org/publication/locked-out/>

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.

In short, there is an unprecedented need for community-level investments to address the fallout from the pandemic.

It is simply imperative that residents have a meaningful voice in setting priorities for how the city’s revenue should be spent and that those priorities be reflected in the final budget. It would be irresponsible for the city to handle public participation in the budget process the way it did leading up to the current fiscal year with virtually no face-to-face dialogue and a lack of opportunity for meaningful public input. Ironically, though, the Finance Commission has endorsed a similar process for the upcoming budget, with no meetings or initial open-ended discussion. This is unacceptable.

Accordingly, we call on the city to conduct public meetings in April and early May that foster genuine dialogue with residents and community groups to think expansively and creatively about our city’s budget. Tightly managed meetings in which discussion is stilted and a fully formulated budget is presented as a foregone conclusion late in the game will not suffice. After years of discussing municipal financial sustainability, South Pasadena has a golden opportunity to advance equity measures that will improve our lives presently and in years to come. These measures include improved social services, enhanced pedestrian safety and traffic management, implementation of the city’s Green and Climate Action Plans, affordable housing, and redress for the city’s racist policies that have excluded non-white people from living and participating in South Pasadena. Public involvement must be integral to developing this upcoming fiscal blueprint.

Care First South Pasadena
BLM
Anti-Racism Committee of South Pasadena
Transition South Pasadena
South Pasadena Tenants Union

³ Smith, Doug, LOS ANGELES TIMES, January 12, 2021, “COVID-19 job losses will worsen L.A. homelessness by 2023, new report says.” Available online at <https://www.latimes.com/california/story/2021-01-12/new-report-foresees-tens-of-thousands-losing-homes-by-2023>