



**CITY OF SOUTH PASADENA
FINANCE COMMISSION
SPECIAL MEETING AGENDA
WEDNESDAY, NOVEMBER 30, 2022 at 6:30 P.M.**

**FIRE DEPARTMENT - EMERGENCY OPERATIONS CENTER
817 Mound Ave, SOUTH PASADENA, CA 91030**

South Pasadena Finance Commission Statement of Civility

As your appointed governing board, we will treat each other, members of the public, and city employees with patience, civility and courtesy as a model of the same behavior we wish to reflect in South Pasadena for the conduct of all city business and community participation. The decisions made today will be for the benefit of the South Pasadena community and not for personal gain.

NOTICE ON PUBLIC PARTICIPATION & ACCESSIBILITY

The South Pasadena Finance Commission Meeting will be conducted in-person from the Fire Department - Emergency Operations Center, located at 817 Mound Ave, South Pasadena.

The Meeting will be available:

- In Person Hybrid – Fire Department - EOC, 817 Mound Ave
- Via Zoom – **Meeting ID:** 854 1432 0606

To maximize public safety while still maintaining transparency and public access, members of the public can observe the meeting via Zoom in one of the three methods below.

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/85414320606>
3. You may listen to the meeting by calling: +1-669-900-6833 and entering the Meeting ID.

CALL TO ORDER: Chair Ed Elsner

ROLL CALL

Chair	Ed Elsner
Commissioner	Zhen Tao
Commissioner	Frederick A. Findley
Commissioner	Cynthia Quade
Commissioner	Peter Giulioni Jr.

City Treasurer Gary Pia

COUNCIL LIAISON: Councilmember Evelyn G. Zneimer

PUBLIC COMMENT GUIDELINES

The City welcomes public input. If you would like to comment on an agenda item, members of the public may participate **by means of one of the following options:**

Option 1:

Participants will be able to “raise their hand” using the Zoom icon during the meeting, and they will have their microphone un-muted during comment portions of the agenda to speak for up to 3 minutes per item.

Option 2:

Email public comment(s) to fcpubliccomment@southpasadenaca.gov

Public Comments received in writing will not be read aloud at the meeting, but will be part of the meeting record. Written public comments will be uploaded online for public viewing under Additional Documents and available at the City Clerk’s Counter for viewing. There is no word limit on emailed Public Comment(s). Please make sure to indicate:

- 1) Agenda item you are submitting public comment on.
- 2) Submit by no later than November 30TH at 12PM

NOTE: Pursuant to State law, the Commission may not discuss or take action on issues not on the meeting agenda, except that members of the Commission or staff may briefly respond to statements made or questions posed by persons exercising public testimony rights (Government Code Section 54954.2). Staff may be asked to follow up on such items.

1. General Public Comment

ACTION/DISCUSSION

- 2. Introduction of Maida Alcantara – Interim Finance Director**
- 3. Introduction of Hsiulee Tran – Deputy Finance Director**
- 4. Presentation of the City’s Investment by Morgan Stanley and Western Asset Management**
- 5. Property Tax Update**
- 6. Review and Approve CY 2023 Calendar & Work Plan**
- 7. Select a Commissioner to serve on the Lease Ad Hoc**

COMMUNICATIONS

- 8. City Council Liaison Communications**
- 9. Staff Liaison Communications**
 - a. Department Updates**
- 10. Commissioner Communications**

ADJOURNMENT

PUBLIC ACCESS TO AGENDA DOCUMENTS

The complete agenda packet may be viewed on the City’s website, www.southpasadenaca.gov.

Meeting recordings will be available for public viewing after the meeting. Recordings will be uploaded to the City’s YouTube Channel no later than the next business day after the meeting.

The City’s YouTube Channel may be accessed at:

https://www.youtube.com/channel/UCnR169ohzi1AlewD_6sfwDA/featured

ACCOMMODATIONS



The City of South Pasadena wishes to make all of its public meetings accessible to the public. If special assistance is needed to participate in this meeting, please contact the City Clerk's Division at (626) 403-7230 or CityClerk@southpasadenaca.gov. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Notification at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

CERTIFICATION OF POSTING

*I declare under penalty of perjury that I posted this notice of agenda for the meeting to be held on **November 30, 2022**, on the bulletin board in the courtyard of City Hall at 1414 Mission Street, South Pasadena, CA 91030, and on the City’s, website as required by law, on the date listed below.*

11/29/2022

Stephanie Pinto

Date

Stephanie Pinto, Management Analyst



Finance Commission Agenda Report

ITEM NO. _____

DATE: November 30, 2022
FROM: Ken Louie, Interim Deputy City Manager - Finance
SUBJECT: Property Tax Update

Recommendation

It is recommended that the Finance Commission receive and file the Property Tax Update for 2022-2023.

Background

The City uses The HDL Companies – Property Tax Division (“HDL”) to monitor, analyze and report the Property Tax activity of the City. This enables management to evaluate and make long-term fiscal decisions based on economic trends. HDL generally meets with staff on a quarterly basis.

Discussion/Analysis

Finance Department staff has met with HDL to review the current property tax activity in the City with respect to the current year’s budget as well as existing trends. Growth in home sales remained strong through summer of 2021. Many cities saw median prices increase due to low interest rates, high demand and limited property for sale. All 2021 activity is reflected in the tax rolls. The following information is the pertinent information pertaining to the City of South Pasadena’s property tax.

“The Key Numbers”

- The City has a taxable assessed value of \$6.1 billion
- South Pasadena has experienced a 7.8% year over year growth in assessed value
- Los Angeles County has experienced a 7.0% year over year growth in assessed value
- Locales have seen a slowing in sales activity but yet sale prices remain higher than previous 12 months
- The Top 10 Property Tax payers make up about 2.7% of total assessed value
- Primary reason for growth is due to the transfer of ownership and secondly Prop 13 growth
- The median sale price in 2022 is \$1,900,000 up by from \$915,000 in 2013
- The City is not attempting to increase the \$14,772,673 budget at this time.

Fiscal Impact

N/A

Attachment: HDL Property Tax Newsletter

THE CITY OF SOUTH PASADENA

PROPERTY TAX NEWSLETTER

TAX YEAR 2022/23



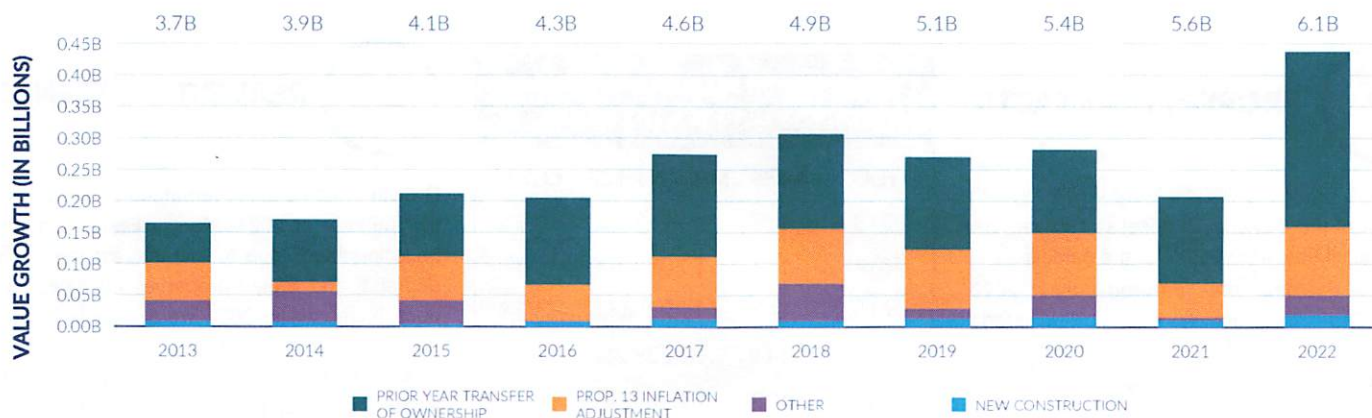
TAXABLE ASSESSED VALUE
\$6.1 BILLION

+7.8%
SOUTH PASADENA

+7.0%
COUNTY

HISTORY OF VALUE CHANGES BY CAUSE

INCLUDING TOTAL ASSESSED VALUE



The Other change category may include effects of assessment appeals, multi parcel sales, and changes to secured exemptions, personal property, or utility-owned property values



PROPERTY HIGHLIGHTS

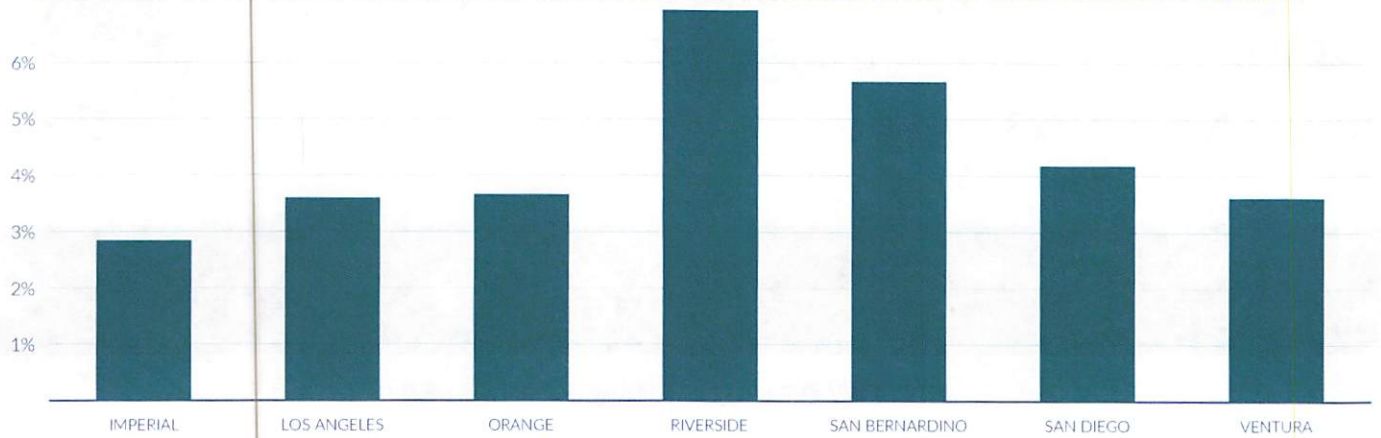
The largest assessment value increase was FSM SOPAS LLC, the former SPUSD administration building on El Centro Street, which increased by \$12.496 million as a result of change of ownership. The second largest increase was 1760 State Street which increased by \$8.64 million as a result of change of ownership. For 2023-24 the CPI growth factor applied to parcels will be the full 2% authorized by Prop 13.



TOP 10 OWNERS WITH PRIMARY USE CATEGORY, TOTAL VALUE AND % OF ALL VALUE

1	625 FAIR OAKS LLC	COMMERCIAL	\$32.9 MILLION	0.54%
2	WF PROPERTY HOLDINGS LP	RESIDENTIAL	\$17.4 MILLION	0.29%
3	GELT STORAGE 919 MISSION LLC	INDUSTRIAL	\$17.3 MILLION	0.29%
4	WWNC 1653 AMBERWOOD DR LLC	RESIDENTIAL	\$14.9 MILLION	0.25%
5	NC RAYMONDALE LLC	RESIDENTIAL	\$14.7 MILLION	0.24%
6	DC EL CENTRO HOLDINGS LLC	COMMERCIAL	\$14.2 MILLION	0.23%
7	JERRY B AND ROBERTA L FURREY TRUST	RESIDENTIAL	\$13.5 MILLION	0.22%
8	LDW PICO PROPERTIES LLC	COMMERCIAL	\$13.0 MILLION	0.21%
9	ACI REAL ESTATE SPE 164 LLC LSOR	COMMERCIAL	\$12.9 MILLION	0.21%
10	CASA DE GENERAL LLC	RESIDENTIAL	\$12.8 MILLION	0.21%
TOP 10 TOTAL			\$164 MILLION	2.70 %

ESTIMATED VALUE GROWTH FROM SALE TRANSFERS AS A PERCENTAGE OF TAXABLE VALUE BY COUNTY



PROPERTY TAX FACTS

- In 2022, 7,520 City parcels were taxable.
- 90.5% of the City's 2022 assessed values are residential use, from 85.8% of the parcels.
- Taxable values are enrolled Jan. 2022 (reflecting 2021 activity). Tax billing starts Sept./Oct. 2022. Revenue is remitted to agencies from late 2022 through mid-2023.

DETACHED SINGLE-FAMILY HOMES MEDIAN SALE PRICE HISTORY

YEAR	SALES	MEDIAN PRICE	CHG %
2013	158	\$915,000	7.6%
2014	137	\$1,082,500	18.3%
2015	143	\$1,225,000	13.2%
2016	144	\$1,238,250	1.1%
2017	128	\$1,360,000	9.8%
2018	106	\$1,339,000	-1.5%
2019	118	\$1,337,500	-0.1%
2020	115	\$1,465,000	9.5%
2021	166	\$1,622,000	10.7%
2022	82	\$1,900,000	17.1%

** Year-to-Date (through September 2022)*

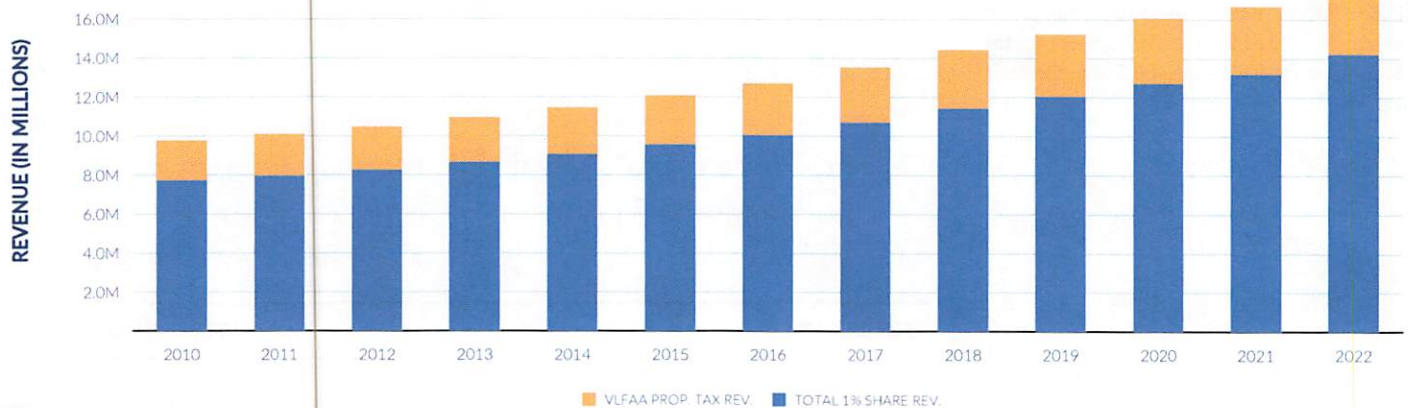


REAL ESTATE TRENDS

Growth in home sales remained strong through the summer of 2021. Many cities saw median price increases due to low interest rates, high demand, and limited properties for sale. Sales price increases in 2021 were reflected on the 2022/23 tax rolls. Tracking activity into 2022, new concerns over rising interest rates and inflation are decreasing the volume of home sales. For many locales, median prices have waned slightly in recent months, but still represent increases in sale price when compared to the prior year.

The median sale price of South Pasadena detached single-family homes from January through September 2022 was \$1,900,000, an increase of \$278,000 (17.1%) from the median sale price in the same period for 2021.

ASSESSED VALUE-BASED REVENUE HISTORY BY COMPONENT





**CITY OF SOUTH PASADENA
FINANCE COMMISSION REGULAR MEETING SCHEDULE**

**City Council Chambers
1424 Mission Street, South Pasadena, CA 91030**

Meetings usually the last Thursday of the month at 6:30 p.m.

January	26	2023
February	23	2023
March	30	2023
April	27	2023
May	25	2023
June	29	2023
August	31	2023
September	28	2023
October	26	2023
December	21	2023



Objective	Tasks and Activities	Target Date	Purpose	Status
Mid-Year Budget	Review Mid-year budget	February (annual)	Financial Oversight	
ACFR/ Audits	Review results of annual audits	March (annual)	Financial Oversight	
Budget and CIP	Review fiscal year budget and Capital Improvement Program	June (annual)	Financial Oversight	
Development Impact Fees	Receive and file report on impact fees	June (annual)	Financial Oversight	
Master Fee Schedule	Review fee schedule for annual CPI adjustments	June (annual)	Financial Oversight	
Tax Revenues	Review quarterly reports on sales and property tax revenues (from HdL)	Quarterly	Financial Oversight	
Investment Performance	Review investment Portfolio and update Policy as needed	September (annual)	Financial Oversight	