



CITY OF SOUTH PASADENA
CITY COUNCIL
AND
HOUSING AUTHORITY - BOARD OF DIRECTORS

AGENDA

SPECIAL MEETING
WEDNESDAY, FEBRUARY 21, 2024, 7:01 P.M.

AMEDEE O. "DICK" RICHARDS JR. COUNCIL CHAMBERS
1424 MISSION STREET, SOUTH PASADENA, CA 91030

NOTICE ON PUBLIC PARTICIPATION & ACCESSIBILITY

The joint special meeting of the South Pasadena City Council and the South Pasadena Housing Authority will be conducted in-person from the Amedee O. "Dick" Richards, Jr. Council Chambers, located at 1424 Mission Street, South Pasadena, CA 91030 and the teleconference location. Pursuant to Assembly Bill 361 Government Code Section 54953, subdivision (e)(3), the City Council may conduct its meetings remotely and may be held via video conference.

Public participation may be made as follows:

- In-Person – Council Chambers, 1424 Mission Street, South Pasadena, CA 91030 and the teleconference location.
- Live Broadcast via the City website – http://www.spectrumstream.com/streaming/south_pasadena/live.cfm
- Via Zoom – **Meeting ID: 825 9999 2830**
- Written Public Comment – written comment must be submitted by 12:00 p.m. the day of the meeting by emailing to ccpubliccomment@southpasadenaca.gov.
- Via Phone – +1-669-900-6833 and entering the Zoom Meeting ID listed above.

Meeting may be viewed at:

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/2264427248?pwd=aEFuSGszQ2I5WjJkemoTms0RTIVUT09>; or
3. By calling: +1-669-900-6833 and entering the Zoom Meeting ID listed above; and viewing the meeting via http://www.spectrumstream.com/streaming/south_pasadena/live.cfm

CALL TO ORDER:

Mayor/Chair

Evelyn G. Zneimer

ROLL CALL:

Mayor/Chair

Evelyn G. Zneimer

Mayor Pro Tem/Vice Chair

Jack Donovan

Councilmember/Authority Member

Jon Primuth

Councilmember/Authority Member

Michael A. Cacciotti

Councilmember/Authority Member

Janet Braun

PUBLIC COMMENT

CONSENT CALENDAR

OPPORTUNITY TO COMMENT ON CONSENT CALENDAR

Items listed under the Consent Calendar are considered by the City Manager to be routine in nature and will be enacted by one motion unless a public comment has been received or Councilmember requests otherwise, in which case the item will be removed for separate consideration. Any motion relating to an ordinance or a resolution shall also waive the reading of the ordinance or resolution and include its introduction or adoption as appropriate.

1. CONSIDERATION OF APPROVAL OF THE THIRD AMENDMENT TO THE LEASE AGREEMENT FOR 1503 AND 1507 EL CENTRO STREET

Recommendation

It is recommended that the City Council, serving as the Board of Directors of the South Pasadena Housing Authority:

1. Approve the Third Amendment to the Lease Agreement for the South Pasadena Housing Authority owned property located at 1503 and 1507 El Centro Street; and
2. Authorize and direct the City Manager, serving as the Executive Director of the South Pasadena Housing Authority, to enter into the Third Amendment to the Lease Agreement for the property at 1503 and 1507 El Centro Street.

CERTIFICATION OF POSTING

*I declare under penalty of perjury that I posted this notice of agenda for the meeting to be held on **February 21, 2024**, on the bulletin board in the courtyard of City Hall located at 1414 Mission Street, South Pasadena, CA 91030, and on the City website as required by law, on the date listed below.*

2/15/2024

/s/

Date

Mark Perez, Deputy City Clerk



Housing Authority Agenda Report

ITEM NO. 1

DATE: February 21, 2024

FROM: Arminé Chaparyan, City Manager *AC*
and Executive Director of the South Pasadena Housing Authority

PREPARED BY: Angelica Frausto-Lupo, Community Development Director
Leah Demarest, Senior Planner for Housing Programs

SUBJECT: **Consideration of Approval of the Third Amendment to the Lease Agreement for 1503 and 1507 El Centro Street**

Recommendation

It is recommended that the City Council, serving as the Board of Directors of the South Pasadena Housing Authority approve the Third Amendment to the Lease Agreement for the South Pasadena Housing Authority owned property located at 1503 and 1507 El Centro Street with a new lease termination date of June 30, 2025 and authorize the City Manager, serving as the Executive Director of the South Pasadena Housing Authority, to execute the Third Amendment to the Lease Agreement.

Executive Summary

The South Pasadena Housing Authority owns property at 1503 and 1507 El Centro Street, which is leased to tenants for use as a community theater. The lease agreement provided for a lease term through October 31, 2011, whereafter the lease converted to a month-to-month tenancy. The lease agreement was amended in March 2022 to establish an expiration date of March 31, 2024 for the month-to-month tenancy to allow the City to facilitate the development of a 100% affordable housing project on these two parcels and an adjacent Housing Authority-owned parcel ("site"), pursuant to Program 2.b of the City's 2021-2029 Housing Element. In December 2023, City Staff brought forward to the City Council a lease amendment to change the expiration date to January 2025, which the City Council approved. After discussions with the tenant, Staff is requesting that the City Council approve a new lease termination date of June 30, 2025.

Background

The Community Redevelopment Agency of the City of South Pasadena, of which the South Pasadena Housing Authority ("Housing Authority" or "lessor") is the successor agency, entered into lease agreement dated November 15, 2009 ("lease") with the tenant ("lessee") concerning the real property located at and commonly known as 1503 and 1507 El Centro Street, in the City of South Pasadena. The two Housing Authority-owned parcels are improved with a parking lot and a building that is used by the lessee as a community theater known as the South Pasadena Theatre Workshop. The lease provided

for a lease term through October 31, 2011, whereafter the lease converted to a month-to-month tenancy.

The lease was amended on July 16, 2014 to, among other things, change the monthly rent amount and acknowledge transfer of ownership of the real property to the lessor.

The lease was amended a second time on March 16, 2022 to establish an expiration date of March 31, 2024 for the hold over month-to-month tenancy. This amendment was made to allow the City to facilitate the development of a 100% affordable housing project on these two parcels and an adjacent Housing Authority-owned parcel ("site"), pursuant to Program 2.b of the City's 2021-2029 Housing Element. In the Housing Element, the City commits to building permit issuance by 2025.

The lessee recently requested an extension of the lease term and on December 6, 2023, the City Council, serving as the Board of Directors of the South Pasadena Housing Authority, approved a third amendment to the lease agreement that extended the month-to-month tenancy from March 31, 2024 to January 31, 2025. However, after subsequent discussions with the lessee, staff now recommends the approval of a third amendment to the lease agreement that extends the tenancy to June 30, 2025, rather than January 2025.

Analysis

The proposed third amendment will be effective immediately. The proposed third amendment uses the same form of previous amendments and changes the expiration date for the hold over month-to-month tenancy from March 31, 2024 to June 30, 2025.

Fiscal Impact

This revenue has already been estimated for the 2023-24 fiscal year in Housing Authority account 228-0000-0000-4880-0000. The proposed third amendment will provide up to 15 additional months of rental revenue to the City's Housing Authority account in the 2024-25 fiscal year. With a monthly rent of \$2,925, this will total \$43,875 from April 2024 through June 2025.

Key Performance Indicators and Strategic Plan

This item aligns with Strategic Plan priority 5, Plan for Affordable Housing to Comply with State Mandates and Respond to Community Needs.

Commission Review and Recommendation

This item was not reviewed by a commission or board.

Attachment: Proposed Third Amendment to the Lease Agreement for 1503 and 1507 El Centro Street

ATTACHMENT 1

Proposed Third Amendment to the Lease Agreement
for 1503 and 1507 El Centro Street

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THIRD AMENDMENT TO THE LEASE AGREEMENT

This Third Amendment to the Lease Agreement ("SECOND AMENDMENT") is made and entered into this 21st day of February, 2024 by and between the SOUTH PASADENA HOUSING AUTHORITY, a public body corporate and politic, ("LESSOR") and STEPHEN GODWIN AND SALLY SMYTHE, individuals, jointly and separately, as husband and wife ("LESSEE"). LESSOR and LESSEE shall collectively be known as the "PARTIES".

RECITALS

A. **WHEREAS**, LESSOR's predecessor in interest and LESSEE entered into a Lease Agreement dated November 15, 2009 ("LEASE") concerning the real property located at and commonly known as 1503 and 1507 El Centro, in the City of South Pasadena, Los Angeles County, State of California, which is improved with a building, known as the "nursery" building and a parking lot (the entirety of the real property and improvements is referred to hereafter as the "PROPERTY"); and

B. **WHEREAS**, the LEASE was amended by the Parties by entering into an Amendment to the Lease Agreement ("FIRST AMENDMENT") on July 16, 2014. Among other things, the FIRST AMENDMENT changed the amount of monthly rent payable by LESSEE, and acknowledged the transfer of ownership from the LESSOR'S predecessors in interest to the LESSOR; and

C. **WHEREAS**, the LEASE provided for a term of lease through October 31, 2011, whereafter the LEASE converted to a month-to-month tenancy; and

D. **WHEREAS**, the PARTIES acknowledge that since November 1, 2011, LESSEE has been occupying the PROPERTY on a month-to-month tenancy pursuant to the "Holding Over" provisions of Section 17 Miscellaneous of the LEASE; and

E. **WHEREAS**, the LEASE was amended by the Parties entering into a Second Amendment to the Lease Agreement ("SECOND AMENDMENT") to increase the rent commencing March 1, 2022 and to continue the month-to-month tenancy, subject to all of the covenants, conditions, and obligations contained in the LEASE and FIRST AMENDMENT, to March 31, 2024; and

F. **WHEREAS**, the LESSOR and LESSEE now mutually desire to extend such month-to-month tenancy, subject to all of the covenants, conditions, and obligations contained in the LEASE, FIRST AMENDMENT, and SECOND AMENDMENT, as amended herein.

NOW THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, Lessor and Lessee mutually agree as follows:

SECTION 1. Recitals. The Recitals above are true and correct and incorporated herein by this reference.

SECTION 2. Holding Over: Section 17 Miscellaneous "Holding Over" of the LEASE is amended to read as follows:

Holding Over

LESSEE has held tenancy as a hold over month-to-month tenancy since November 1, 2011. LESSEE may continue to hold tenancy as a hold over month-to-month tenancy until termination, provided that LESSEE shall have no right to hold over beyond June 30, 2025. Such holding over shall be construed to be a tenancy from month to month, subject to all the covenants, conditions and obligations contained in this Lease. LESSEE may terminate the LEASE by giving LESSOR thirty days written notice of termination. LESSOR may terminate the LEASE by giving LESSEE sixty days written notice of termination. The rent shall be increased to \$2,925.00 per month during these hold over periods, commencing March 1, 2022.

The remainder of Section 17 shall remain unchanged.

SECTION 3. Additional Remaining terms: all other terms of the existing LEASE, FIRST AMENDMENT, and SECOND AMENDMENT not expressly or impliedly amended by this THIRD AMENDMENT shall remain unchanged and in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

LESSEE:

Stephen Godwin

Sally Smythe

LESSOR:

Arminé Chaparyan, Executive Director

Approved as to form:

Roxanne M. Diaz, City Attorney

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