

SETTLEMENT AGREEMENT

(CALIFORNIANS FOR HOMEOWNERSHIP V. CITY OF SOUTH PASADENA,

LASC CASE NOS. 22STCP01388 & 22STCP01161)

This Settlement Agreement (“Agreement”) is made and entered into by and between Californians for Homeownership, a California nonprofit public benefit corporation (“Californians”) and the City of South Pasadena (the “City”) (each a “Party” and collectively the “Parties) on the terms and conditions set forth below.

WHEREAS, Californians filed a verified Petition for Writ of Mandate pursuant to California Code of Civil Procedure Section 1085 as Los Angeles County Superior Court Case No. 22STCP01388, entitled Californians for Homeownership vs. City of South Pasadena (the “Writ Petition”), alleging that the City failed to adopt an update to its housing element within the time required by law;

WHEREAS, Californians filed a verified Petition for Writ of Mandate pursuant to California Code of Civil Procedure Section 1085 as Los Angeles County Superior Court Case No. 22STCP01161, entitled Californians for Homeownership vs. City of South Pasadena (the “CPRA Petition”), alleging that the City failed to adequately respond to a request for public records under the California Public Record Act pursuant to Government Code section 6250, et seq., for documents concerning the City’s compliance with its update to its housing element;

WHEREAS, the City is taking all reasonable steps to adopt its sixth cycle revision of the housing element and obtain certification of same from the California Department of Housing and Community Development (“HCD”), or adopt findings pursuant to Government Code Section 65585, subdivision (f)(2);

WHEREAS, the timeline on which HCD and the Southern California Association of Governments (“SCAG”) allocated the number of housing units the City must accommodate in its sixth revision of the housing element have made it difficult for the City to timely update its housing element;

WHEREAS, the City’s ability to adopt an HCD-certified housing element (or one close enough for the City to adopt findings pursuant to Government Code Section 65585, subdivision (f)(2)) depends, in part, on the response, responsiveness and reasonableness of HCD in reviewing the City’s updated housing element, factors not within the City’s control;

WHEREAS, Government Code Section 65754, subdivision (b), requires any judgment in favor of petitioner, which finds that the housing element does not substantially comply with the requirements of state law, must order the local jurisdiction to bring its housing element into

compliance with those requirements within 120 days and bring its zoning ordinance into consistency with the updated housing element within 120 days after amendment thereof;

WHEREAS, Government Code Section 65759, subdivision (a), provides that, with limited exceptions, CEQA does not apply to any City action necessary to bring its housing element into compliance with a court order or judgment entered under Article 14 of Chapter 3 of Division 1 of Title 7 of the Government Code;

WHEREAS, Government Code Section 65759, subdivision (b), provides that, upon good cause shown, the court can extend the time required for a local jurisdiction to bring its housing element into compliance or extend the time required to bring its zoning ordinance into compliance with the updated housing element by way of two extensions of time, not to exceed a total of 240 days;

WHEREAS, good cause exists to grant the City additional time to meet the requirements of Government Code Section 65754, which additional time is necessary to allow the City to develop a draft housing element that is likely to be certified by HCD and to complete legally appropriate environmental review; and

WHEREAS, the Parties wish to avoid the time and expense of litigation, so as to avoid wasting taxpayer money on unnecessary litigation.

NOW THEREFORE, in consideration of and in exchange for the promises contained herein, the Parties mutually agree as follows:

1. **Payment of Attorney's Fees and Costs.** Within 30 days of entry of the Proposed Judgment attached hereto as Exhibit A, the City shall pay the total sum of \$8,500 to Californians for reimbursement of reasonable attorney's fees and costs of both suits. The check shall be payable to Californians for Homeownership, Inc., and delivered to Matthew P. Gelfand, counsel for Californians, at 525 S. Virgil Ave., Los Angeles, CA 90020. Californians shall furnish to counsel for the City an executed W-9 form at least 10 business days prior to the payment of such fees and costs. If payment is made pursuant to this Paragraph and judgment is entered consistent with Paragraph 2, Californians agrees not to make any further application for costs or fees in connection with the Writ Petition and CPRA Petition unless the City fails to comply with the Judgment.

2. **Entry of Judgment.** Within 3 days from the execution of this Agreement, counsel for the Petitioner shall file with the court a Stipulation for Entry of Proposed Judgment seeking entry of the Proposed Judgment in the Writ Petition attached hereto as Exhibit A. In the event that the Court does not adopt the Proposed Judgment in the form requested by the Parties, the Parties mutually agree to cooperate in good faith to make necessary amendments to the Proposed Judgment, to the extent such amendments can be made without substantively altering the bargain described in this Agreement. To the extent that the Court declines to enter judgment in a manner acceptable to the Parties, the Parties agree that the litigation will proceed, the Parties will mutually

seek the setting of a trial date by the Court, this Agreement will be of no further effect, and the City will not be required to make the payment described in Paragraph 1, without prejudice to Californians seeking reasonable attorney's fees and costs of suit at an appropriate time as provided by law.

3. **Actions Required of the City.** If judgment is entered by the Court consistent with Paragraph 2, the City shall act in the manner specified in the judgment and abide by the following constraints with respect to any future draft sixth cycle housing element it submits to the state Department of Housing and Community Development (HCD) and any housing element it subsequently adopts:

- i. The City will not identify as a site for housing, whether through rezoning or otherwise, the parcels located at any of the following assessor parcel numbers: 5315004066, 5315004083, 5315004084, 5315004085, 5318004012, 5318004019, 5318004023, 5318015017, 5314026937, 5310018901, 5306006904, 5306006025, 5306006024, 5306006053, 5306006048, 5301028051, 5301028055, 5301028034, 5301028900, 5301028054, 5301028052, 5301028049, 5301028053, 5301028050, 5301028035, 5301028036, 5312016015, 5308027008, 5308027020, 5308027017, 5308027018, 5308027019, 5308021902, 5314016064, 5319031901, 5312016900, 5312016901, 5314006039, 5312016014, 5312017043, 5314016075, 5312017044, 5306006905, 5312017042, 5312017049, 5308027016, 5308032902, 5308034901, and 5308033904.
- ii. For any partially or fully City-owned parcel the City identifies as a site for housing, whether through rezoning or otherwise, the City will include in the housing element a program to engage in a request for proposal ("RFP") or similar process, by a date certain of no later than January 1, 2028, to sell the parcel to a housing developer or otherwise ensure its development as housing.
- iii. For every non-vacant site identified as a site for housing in the housing element, including sites identified for rezoning, the City will specifically identify, on a parcel-by-parcel basis, the information that it contends satisfies its obligations under 65583.2(g)(1) (for all non-vacant sites) and 65583.2(g)(2) (for non-vacant sites identified to provide lower-income housing).
- iv. The housing element will contain (1) a program to seek, through voter approval by December 31, 2024, the repeal of the City's 45-foot height limit as to at least any residential or mixed-use (including residential) project on the parcels for which the housing element anticipates a base density in excess of 50 units/acre; and (2) a program to complete a mid-cycle revision of the City's housing element, reducing all for which the housing element anticipates a base density in excess of 50

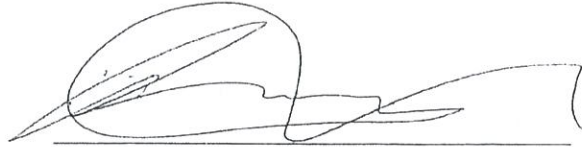
units/acre sites to an assumed maximum density of 50 units/acre, within nine months in the event that the proposal is not approved by the City's voters.

4. **Dismissal of CPRA Petition.** Within three (3) days from the entry of judgment in the Writ Petition, counsel for the Petitioner shall file with the court a dismissal with prejudice of the CPRA Petition, each site bearing their own costs in such action.

5. **Entire Agreement.** This Agreement embodies the entire agreement of the Parties hereto and supersedes any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied, between the Parties to this Agreement. The Parties to this Agreement each acknowledge that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by them, or anyone acting on their behalf, which are not embodied in this Agreement; that they have not executed this Agreement in reliance on any representation, inducement, promise, agreements, warranty, fact or circumstances, not expressly set forth in this Agreement.

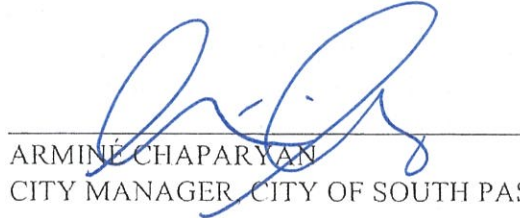
IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

Dated: 8/11/2022



MATTHEW P. GELFAND
CALIFORNIANS FOR HOMEOWNERSHIP, INC.

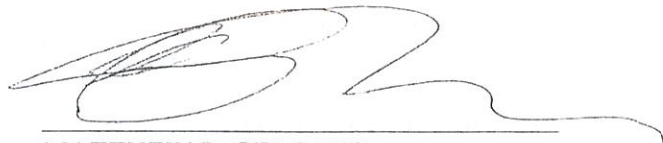
Dated: 8/15/22



ARMINE CHAPARYAN
CITY MANAGER, CITY OF SOUTH PASADENA

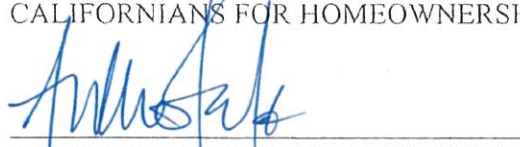
APPROVED AS TO FORM:

Dated: 8/11/2022



MATTHEW P. GELFAND
CALIFORNIANS FOR HOMEOWNERSHIP, INC.

Dated: 8/15/22



ANDREW L. JARED, CITY ATTORNEY
CITY OF SOUTH PASADENA

EXHIBIT A

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

CALIFORNIANS FOR
HOMEOWNERSHIP, INC., a California
nonprofit public benefit corporation,

Petitioner,

v.

CITY OF SOUTH PASADENA,

Respondent.

Case No. 22STCP01388

[PROPOSED] STIPULATED JUDGMENT

Assigned for all purposes to:
Hon. James Chalfant (Dept. 85)

Petition Filed: April 18, 2022

Pursuant to the Stipulation for Entry of a Stipulated Judgment submitted by Petitioner CALIFORNIANS FOR HOMEOWNERSHIP, INC (“Californians”) and Respondent CITY OF SOUTH PASADENA (the “City”), and pursuant to the Court’s power under Code of Civil Procedure Section 664.6:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that judgment is entered in favor of Petitioner and against Respondent based on the following findings:

(1) The City did not adopt the sixth cycle update to its housing element by the October 15, 2021 statutory deadline for doing so;

(2) The timeline on which the California Department of Housing and Community Development (“HCD”) and the Southern California Association of Governments (“SCAG”) allocated the number of housing units the City must accommodate in its sixth cycle revision of the housing

1 element has made it difficult for the City to timely update its housing element;

2 (3) Government Code Section 65754, subdivision (b), requires any judgment in favor of a
3 petitioner, which finds that the housing element does not substantially comply with the requirements
4 of state law, must order the local jurisdiction to bring its housing element into compliance with those
5 requirements within 120 days and bring its zoning ordinance into consistency with the updated housing
6 element within 120 days thereafter;

7 (4) Government Code Section 65759, subdivision (a), provides that, with limited exceptions,
8 the California Environmental Quality Act does not apply to any action necessary to bring a city's
9 housing element into compliance with a court order or judgment entered under Article 14 of Chapter 3
10 of Division 1 of Title 7 of the Government Code;

11 (5) Government Code Section 65759, subdivision (b), provides that, upon good cause shown,
12 the court can extend the time required for a local jurisdiction to bring its housing element into
13 compliance by way of two extensions of time, not to exceed a total of 240 days;

14 (6) Good cause exists to grant the City additional time to meet the requirements of Government
15 Code Section 65754, which additional time is necessary to allow the City to develop a draft housing
16 element that is likely to be certified by HCD; and

17 (7) The parties have agreed to the entry of this judgment because they wish to avoid the time
18 and expense of litigation, so as to avoid wasting taxpayer money on unnecessary litigation.

19 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that:

20 (1) The City shall abide by the following schedule with respect to its housing element:

- 21 a. The City shall prepare and submit a revised draft housing element to HCD by
22 September 15, 2022 (the "September Draft").
- 23 b. In the event that HCD determines that the September Draft meets the standards of state
24 law and is eligible for certification, or promises certification conditioned on changes
25 agreed to by the City in advance, the City shall adopt its housing element within 30
26 days after notification by HCD.
- 27 c. In the event that HCD determines that the September Draft requires modifications to
28 meet the standards of state law, the City shall prepare and submit a revised draft housing

1 element to HCD within 45 days after notification by HCD.

2 d. In the event that HCD determines that the subsequent draft meets the standards of state
3 law and is eligible for certification, or promises certification conditioned on changes
4 agreed to by the City in advance, the City shall adopt its housing element within 30
5 days after notification by HCD.

6 e. In the event that HCD determines that the subsequent draft requires modifications to
7 meet the standards of state law, the City shall prepare and submit a revised draft housing
8 element to HCD within 45 days after notification by HCD.

9 f. In no event shall the City adopt its updated sixth cycle housing element later than May
10 31, 2023;

11 (2) The City shall complete all rezoning of property contemplated in the housing element
12 within 120 days of its adoption of the housing element. For purposes of this section, rezoning of
13 property shall not include any action required to be put the vote of the electorate to consider repeal of
14 the City's 45-foot height limit or any subsequent required action should such measure fail to bring the
15 housing element into compliance;

16 (3) Consistent with Government Code Section 65759, the City shall be exempt from
17 compliance with CEQA in connection with all of the actions it is required to undertake pursuant to the
18 preceding paragraphs, if it complies with the requirements of Section 65759;

19 (4) Because the City has not had an adopted sixth cycle housing element, starting on October
20 15, 2021, the City shall not use the provisions in subdivision (d)(1) or (d)(5) of Government Code
21 Section 65589.5 to disapprove a housing development project that qualifies for approval under
22 subdivision (d) of that section—that is, a project in which either (A) at least 20 percent of the total
23 units shall be sold or rented to lower income households, as defined in Health and Safety Code Section
24 50079.5, or (B) 100 percent of the units shall be sold or rented to persons and families of moderate
25 income as defined in Health and Safety Code Section 50093, or persons and families of middle income,
26 as defined in Government Code Section 65008—or to condition the approval of such a project in a
27 manner that renders it infeasible for development for the use of very low, low-, or moderate-income
28 households, or an emergency shelter, including through the use of design review standards; and

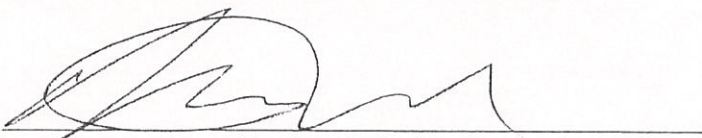
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(5) The Court shall retain jurisdiction over this action and the Parties thereto until the terms of this Judgment are fulfilled.

Dated: _____, 2022 _____

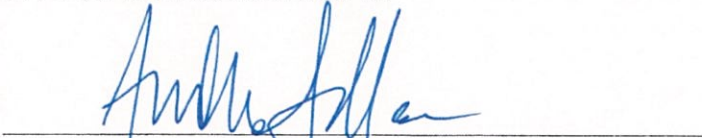
Respectfully submitted this 15th day of August, 2022

CALIFORNIANS FOR HOMEOWNERSHIP, INC.


Matthew P. Gelfand

Attorneys for Petitioner CALIFORNIANS FOR HOMEOWNERSHIP, INC.

CITY OF SOUTH PASADENA


Andrew D. Jared, City Attorney

Attorneys for Petitioner CITY OF SOUTH PASADENA

