Acevedo, Gloria

Subject: RE: Public comment for Finance Committee meeting 2/24/25 - matters not on the agenda

From: Robles, Sandra <sarobles@cityofpasadena.net>
Sent: Monday, February 24, 2025 10:54 AM
To: Acevedo, Gloria <gacevedo@cityofpasadena.net>
Subject: FW: Public comment for Finance Committee meeting 2/24/25 - matters not on the agenda

From: cityclerk <cityclerk@cityofpasadena.net>
Sent: Monday, February 24, 2025 8:02 AM
To: Iraheta, Alba <airaheta@cityofpasadena.net>; Jomsky, Mark <mjomsky@cityofpasadena.net>; Robles, Sandra <sarobles@cityofpasadena.net>; Sabha, Tamer <tsabha@cityofpasadena.net>; McMillan, Acquanette (Netta) <nmcmillan@cityofpasadena.net>; Soo, Christine <csoo@cityofpasadena.net>; Ashikyan, Elizabeth <eashikyan@cityofpasadena.net>; Padilla, Adrian <adpadilla@cityofpasadena.net>
Subject: FW: Public comment for Finance Committee meeting 2/24/25 - matters not on the agenda

From:
Sent: Monday, February 24, 2025 8:02:20 AM (UTC-08:00) Pacific Time (US & Canada)
To: cityclerk <cityclerk@cityofpasadena.net>
Cc: Hawkesworth, Matthew <mhawkesworth@cityofpasadena.net>; Pasadena Housing Providers <info@pasadenahousingproviders.com>
Subject: Public comment for Finance Committee meeting 2/24/25 - matters not on the agenda

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To the Finance Committee

Since 2023, the Pasadena Rental Housing Board and the Rent Stabilization Department have been spending the City's money while waiting to generate their own income from the rental registry. The registry itself was delayed from 2023 to 2024, and is still far from complete. In the meantime, the PRHB has published very little information about its financial situation, and nothing at all about how it intends to repay the City of Pasadena.

The attached document was originally intended for presentation at the PRHB regular meeting on February 20th, 2024. Following (1) the cancelation of the regular meeting at short notice, (2) its replacement by a special meeting which excluded financial reporting, and (3) the subsequent cancelation of the special meeting, this item was never reviewed and it has been removed from the PRHB website.

The report itself is barely adequate to track spending against a multimillion dollar budget, and it fails to explain the income situation. However, the footnote suggests that $3.2mn has been collected so far, with a further $1mn potentially achievable. This is at least $1.5mn short of plan, and out of line with the promise that the costs of running this bureaucracy would be met entirely by registry fees.

As a resident of Pasadena, and as a housing provider who has paid my registry fees, I ask the Finance Committee:

- What is the RSD's plan to repay the funds advanced by the City?
- How will the PRHB and RSD cover their expenses given the major undershoot in registry fees?
- How can the public be better informed about the millions of dollars of expenditure that are being inadequately reported by the RSD, including the failed no-bid $425,000 contract with bhyv?

Sincerely

Simon Gibbons (he, him)
Finance Officer
BT Shepherd LLC
2335 E Colorado Blvd, Suite 115/180
Pasadena CA 91107

RENT STABILIZATION DEPARTMENT

February 20, 2025

TO: Pasadena Rental Housing Board

FROM: Will Panza, Management Analyst IV
Rent Stabilization Department

SUBJECT: DEPARTMENT OPERATING BUDGET – QUARTERLY UPDATE

Recommendation: This report is for information only.

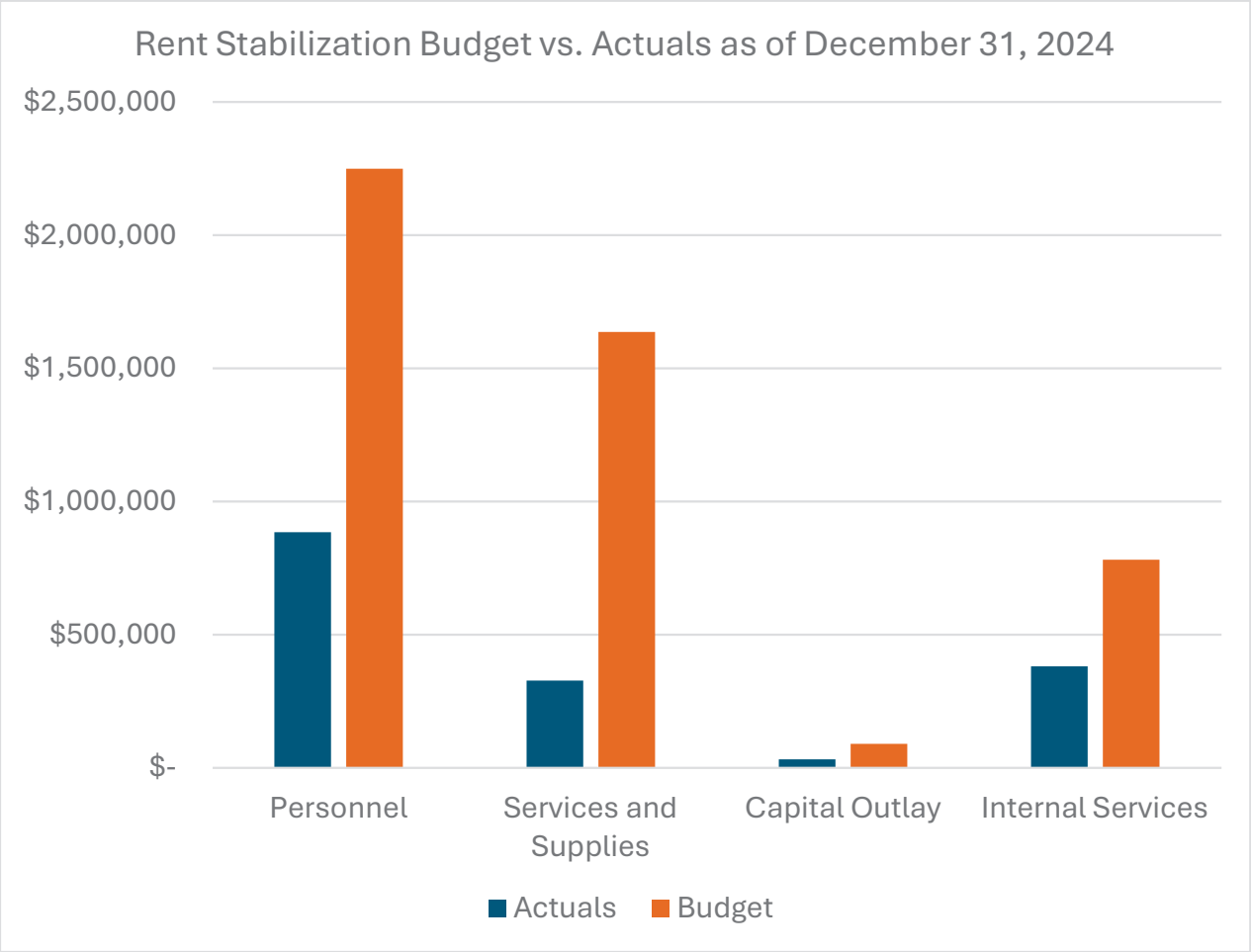
The Rent Stabilization Department (RSD) is pleased to provide its second quarterly operating budget update for Fiscal Year 2025. This report primarily covers expenditures for the period between July 1, 2024 and December 31, 2024.

Overall Neutral Budget Performance:

RSD is currently underspending the budget to plan. This positive variance is primarily due to:

- Personnel: RSD experienced staff turnover for several senior positions prior and during the second quarter of fiscal year 2025. The combined vacancies resulted in decreased Personnel expenditures relative to the first quarter.
- Services and Supplies: Largely driven by the timing of invoicing and posting of expenses. For example, the contracted hearing officer will generate expenses once hearings begin. The Department has yet to receive an invoice from other vendors for services rendered such as one for implementation and integration fees from 3di for the Rental Registry.
- Capital Outlay: The Department has declined further tenant improvements that would incur additional expenses. Examples include white noise soundproofing and window blind replacements.

A high-level overview of the budget vs. actuals is provided in the accompanying chart and a summary of expenses:



Expenses	FY25 Revised Budget	FY25 Actuals as of 12/31/24	FY25 Available	Percentage Remaining
Personnel	$ 2,249,582	$ 884,578	$ 1,365,004	61%
Services and Supplies	$ 1,636,006	$ 327,954	$ 1,308,052	80%
Capital Outlay	$ 90,000	$ 31,546	$ 58,454	65%
Internal Services	$ 780,823	$ 380,412	$ 400,411	51%
Total Budget	**$ 4,756,411**	**$ 1,624,490**	**$ 3,131,921**	**66%**

Detailed Budget & Expense Worksheet as of December 31, 2024:

Expenses	FY25 Revised Budget	FY25 Actuals as of 12/31/24	FY25 Available	Percentage Remaining	Notes
Personnel	**$ 2,249,582**	**$ 884,578**	**$ 1,365,004**	**61%**	17 Authorized FTEs, 1 CTW & Board Compensation
Services & Supplies	**$ 1,636,006**	**$ 327,954**	**$ 1,308,052**	**80%**	
Computer Related Supplies	$ 275,000	$ 27,840	$ 247,160	90%	2 multi-use printers ($20k); staff computers
Consultant Services	$ 344,679	$ 86,301	$ 258,378	75%	Allegra ($56k); Bhyv ($30k)
Other Contract Services	$ 295,000	$ 38,428	$ 256,572	87%	Trans.4All ($25k); KPAS ($3.8K); MPI ($3.6K); TU ($3.2K)
Outside Legal Services	$ 225,000	$ 126,120	$ 98,880	44%	Goldfarb & Lipman
Lease Payments	$ 280,000	$ 21,035	$ 258,965	92%	
Legal & Advertising	$ 120,000	$ 1,988	$ 118,012	98%	PasadenaNow
Misc. Expenditures	$ 96,327	$ 26,242	$ 70,085	73%	CRSN ($7.5k); Supplymates ($7.3k); PRHB ($3.7k)
Capital Outlay	**$ 90,000**	**$ 31,546**	**$ 58,454**	**65%**	DR Officeworks
Internal Services	**$ 780,823**	**$ 380,412**	**$ 400,411**	**51%**	CAP + IT services
Total Budget	**$ 4,756,411**	**$ 1,624,490**	**$ 3,131,921**	**66%**	

Revenue:

To date, RSD has collected $3.2M in revenue. Further revenue recognition is anticipated due to 371 properties pending payment, representing 1,319 units or $283k in anticipated revenue. Additionally, there are 438 properties (3,420 units) requiring staff review.