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Introduction

The City of Pasadena Five-Year Consolidated Plan (Consolidated Plan) provides a framework to identify community needs that include 1) housing; 2) homelessness, and 3) community and economic development. Additionally, the Consolidated Plan helps to identify available resources and devise a Strategic Plan for meeting these needs.

This Consolidated Plan consists of a five (5) year Strategic Plan and an Annual Action Plan. The Strategic Plan contains three (3) parts: 1) a housing, homeless, community and economic development needs assessment; 2) a housing market analysis; and 3) long-term strategies to meet priority needs. The Action Plan describes the specific projects and activities that Pasadena will undertake in the coming year with local, U. S. Department of Housing and Urban Development (HUD), and other federal funds to address those priority needs. The Action Plan also contains certifications indicating that the City will follow certain requirements such as furthering fair housing.

The Consolidated Plan also functions as: 1) a planning document for the City, which builds on the City's citizen participation process at the grassroots levels; 2) an application for federal funds under HUD formula grant programs; 3) a strategy to be followed in carrying out HUD programs; and 4) an Action Plan that provides a basis for assessing performance.

Essentially, the Consolidated Plan simplifies the steps needed to receive funding under four (4) HUD formula grant programs. These federal grants are:

Community Development Block Grant (CDBG): A formula-based program that annually allocates funds to metropolitan cities, urban counties, and states for a wide range of eligible housing and community development activities. Over a one (1) year period, not less than 70 percent of the City's CDBG expenditures must be used for activities that benefit low- and moderate-income persons.

HOME Investment Partnership (HOME): A formula-based program that provides allocations to states and units of general local governments, known as participating jurisdictions. The purpose of the HOME Program is to retain and expand the supply of affordable housing principally for low- and very low-income families through housing rehabilitation, new construction, first-time homebuyer financing, and rental assistance.

Emergency Shelter Grant (ESG): A formula-based program that allocates funds to states, metropolitan cities, and urban counties to support emergency shelters for homeless individuals and families.

Housing Opportunities for Persons with HIV/AIDS (HOPWA): A grant program that addresses the needs of persons living with HIV or AIDS and their families.

Additionally, the Consolidated Plan provides a basis for programming and allocating other federal funds including its Housing Choice Voucher Program, Continuum of Care Homeless Assistance Programs (Supportive Housing, Shelter Plus Care and Section 8 Moderate Rehabilitation for Single Room Occupancy Dwellings, etc.) as well as local housing and development resources.

The overall goal of the federal community planning and development programs covered by the Consolidated Plan is to develop viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities principally for low- and moderate-income persons. The primary means towards this end is to extend and strengthen partnerships among all levels of government and the private sector. The statutory program goals are:

DECENT HOUSING -- which includes:

- assisting homeless persons to obtain appropriate housing;
- assisting persons at risk of becoming homeless;
- retention of the affordable housing stock;
- increase the availability of permanent housing in standard condition and affordable cost to low-income and moderate-income families; particularly to members of disadvantaged minorities, without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability;
- increasing the supply of supportive housing which includes structural features and services needed to enable persons with special needs (including persons with HIV/AIDS) to live with dignity and independence;
- providing affordable housing to low-income persons that is also accessible to job opportunities.

A SUITABLE LIVING ENVIRONMENT -- which includes:

- improving the safety and livability of neighborhoods;
- increasing access to quality public and private facilities and services;
- reducing the isolation of income groups within areas through the spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating or deteriorated neighborhoods;
- restoring and preserving properties of historic, architectural, or aesthetic value; and
- conservation of energy resources.

EXPANDED ECONOMIC OPPORTUNITIES -- which includes:

- job creation and retention;
- establishment, stabilization and expansion of small businesses (including micro-businesses);
- the provision of public services concerned with employment;
- the provision of jobs to low-income persons living in areas affected by those programs and activities, or jobs resulting from carrying out activities under programs covered by the Plan;
- availability of mortgage financing for low-income persons at reasonable rates using non-discriminatory lending practices;
- access to capital and credit for development activities that promote the long-term economic and social viability of the community;
- empowerment and self-sufficiency for low-income persons to reduce generational poverty in federally assisted housing and public housing.

Executive Summary

A. Background

The City of Pasadena is experiencing significant economic prosperity; the economy is growing. The unemployment rate for Pasadena is lower than the unemployment rate for Los Angeles County. Home prices and rents are escalating. The City is a very desirable place to work and live and has a world-class reputation. However, this prosperity is not shared by all of its residents and is increasing the demand for housing, especially affordable housing and thereby making it more difficult for residents with limited income and skills to afford to live in Pasadena.

The Consolidated Plan is designed to enable the City of Pasadena to establish a strategy(ies) that can address priority needs. It offers the City the opportunity to shape its various housing and community development programs into effective, coordinated, neighborhood and community development strategies. The Consolidated Plan is also the means to meet the application requirements for the HUD formula grant programs: Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) formula programs.

B. Purpose

The Executive Summary describes the key elements of the Consolidated Plan. The key elements are included in the following six (6) sections:

1. Citizen Participation Process;
2. Homeless Needs;
3. Housing Needs;
4. Non-Housing Community Development Needs (including economic development);
5. Strategic Plan Goals and Objectives;
6. Annual Action Plan (2005 – 2006).

1. Citizen Participation Process

In the "Guidelines for Preparing a Consolidated Plan Submission for Local Jurisdictions," the U.S. Department of Housing and Urban Development Office of Community Planning and Development states that the "consolidated plan must result from an effective citizen participation process." In order to ensure a wide-range of participation from citizens in the development of the consolidated plan, the City of Pasadena conducted a community

outreach and education campaign that specifically included the groups of persons specifically listed by HUD within its Consolidated Plan guidelines.

The campaign consisted of multiple contacts (posters, flyers, mailers, published notices, etc.) to the following groups:

- low- and moderate-income residents where housing and community development funds may be spent;
- minorities and non-English speaking persons;
- persons with disabilities;
- residents of assisted housing developments;
- recipients of tenant-based rental assistance;
- low-income residents within the Pasadena Enterprise Zone.

The City of Pasadena provided opportunities for residents, public agencies, and other interested parties, especially those most affected, to receive information, review, and submit comments on any proposed activities including the amount of assistance the jurisdiction expects to receive (grant funds, program income, etc.) and the range of activities that may be undertaken including the estimated amount that will benefit persons of low- and moderate-income.

Opportunities to receive information included flyers which were:

- mailed to more than 500 representatives of local agencies, businesses, and neighborhood organizations, and city residents;
- made available at public counters including libraries, schools, and City public service counters;
- delivered for distribution at local committees, coalitions, and task forces meetings;
- delivered to post and distribute at local community service organizations;
- delivered to post and distribute at local community and recreational centers.

Opportunities to receive information were also available through:

- the City's web site;
- local agency and coalition web sites;
- published notices of meetings and needs in local newspapers.

The City also conducted extensive outreach to inform local agencies regarding the opportunity to apply for CDBG funds. Such outreach included three (3) public workshops on the Request for Proposals (RFP) process, evaluation criteria, and proposal development for the City's 2005-2006 CDBG Program Year. The City also provided technical assistance to persons and groups in developing their proposal during regular business hours 8:00 a.m. to 5:00 p.m. Monday - Thursday.

The City of Pasadena also provided three (3) public hearings in order to obtain citizens' views and to respond to proposals and questions concerning housing and community development needs, development of proposed activities, and review of program performance. The first public hearing was held in advance of the publication of the draft consolidated plan for comment. The public hearing was held on Thursday, April 28, 2005 before the Northwest Commission. The second public hearing was held on Monday, June 13, 2005 with the Pasadena City Council and the third public hearing that focuses on the Consolidated Annual Performance and Evaluation Report (CAPER) will be in September, 2005.

Each public hearing was conducted at times and locations convenient to potential and actual beneficiaries, and with accommodations for persons with disabilities. The hearings were conducted during the evening hours and each hearing was held at a public facility that had adequate accommodations for persons with disabilities. Available accommodations included listening assistive devices, braille, etc. The needs of non-English-speaking residents were also met. Language translation services were available upon request.

2. Homeless Needs

This section contains the statistical and analytical information that provides an overview of the City's homeless needs for the ensuing five-year period (2005 - 2010) and supports the annual activities outlined in the Annual Action Plan. Significant data and trends are as follows:

- a. Total Number of Homeless Persons
 - 1. 1,217 persons are homeless on a given day in Pasadena
 - a. 782 (64.3%) are adults;
 - b. 435 (35.7%) are children.
 - 2. Women and children (701 or 57.6%) represent the majority of persons who are homeless on a given day in Pasadena.
- b. Gender
 - 1. The majority of homeless adults are men - 516 persons or 65.9%;
 - 2. There was 266 women or 34.1%.
- c. Ethnicity¹
 - 1. The majority of homeless adults are African American or Black—more than one-third (36.9% or 288 persons);

¹ The ethnicity categories used for the homeless count were the same used by the U.S. Census Bureau for the year 2000.

2. 29.0% or 227 of homeless adults are White; 23.2% or 181 are Hispanic or Latino; 2.5% or 20 were Asian; 2.3% or 18 are American Indian or Alaskan Native and 6.1% or 48 persons stated Other.

d. Age

1. More than one out of every three (35.5%) homeless persons is a child under the age of 18—which means that more than 400 (435) children are homeless in Pasadena on a given day.

e. Family Composition

1. Nearly half (49.2%) of the City's homeless population is made up of parents and children on a given day.

f. Marital Status

1. The majority of adults were single—82.4% or 644 adults—and 17.6% or 138 adults were married.

Pasadena 10-Year Strategy to End Homelessness

This section focuses primarily on the findings and recommendations of the "City of Pasadena 10-Year Strategy to End Homelessness" which noted four (4) primary strategies that need to be implemented. They include:

- i. Ending Chronic Homelessness;
- ii. Supporting Existing Homeless Services;
- iii. Expanding Existing Homeless Services;
- iv. Strengthening Homeless Prevention Efforts.

i. Ending Chronic Homelessness

Chronic homeless persons are the "most-visible" and "hardest-to-reach" of all homeless persons. They often have persistent health care, mental health, and substance abuse needs. The Department of Housing and Urban Development (HUD) defines chronic homelessness as:

"A person who is an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years."

Chronic homeless persons make up 15% of the City's homeless population over the course of a year. This means that approximately 540 (or 15%) of the approximately 3,600 people who became homeless during the past 12 months were homeless during the entire 12 months.

Most, if not all, chronically homeless persons exit their life from the streets through case management services that help obtain and maintain permanent supportive housing or permanent affordable housing. They often first obtain case management services through street outreach workers who ultimately connect them with needed services.

The Consolidated Plan makes the following recommendations to assist in ending chronic homelessness in Pasadena:

- establish an additional street outreach team consisting of a Street Outreach Worker and Health Care Outreach Worker that would provide services primarily to the chronically homeless;
- ensure that the continuum of care's outreach/intake/assessment center continues to receive renewal funding from the U. S. Department of Housing and Urban Development (HUD);
- expand permanent supportive housing opportunities that include establishing a "Safe Haven" permanent supportive housing program; applying for additional Shelter Plus Care Certificates; and providing additional studio units for single room occupancy (SRO).

ii. Supporting Existing Homeless Services

Every day homeless service providers supply the necessary resources to assist persons with exiting their lives from the streets of Pasadena. Approximately, 3,600 adults and children become homeless while living in Pasadena each year and an estimated 15% (540 persons) are chronically homeless persons who live on the streets for more than one (1) year. The remaining 85% (3,060 persons) are homeless less than one (1) year based on the availability of services from homeless service providers.

Services are typically provided through residential and non-residential programs. Residential services include emergency shelter, transitional housing, and permanent supportive housing. Non-residential services include specialized case management such as employment, health care, housing placement, mental health care, substance abuse, and veteran's assistance.

In support of the existing residential and non-residential service programs and the associated providers, the Five-Year Consolidated Plan recommends that each of these programs continue to receive funding through HUD's Continuum of Care application as long as they are performing satisfactorily.

iii. Expanding Existing Homeless Services

The Consolidated Plan also recommends that residential/non-residential programs and related services be expanded to fill gaps within the City's homeless continuum of care system. Specific recommendations include:

- a. expand the number of days, hours, and case management services provided by the Bad Weather Shelter;
- b. expand the continuum of care's substance abuse treatment services to include an entry point into substance abuse recovery;
- c. expand the number of units/beds of transitional housing with case management services for families.

iv. **Strengthening Homeless Prevention Efforts**

There are three (3) recommendations concerning families and individuals who are presently housed but are seriously at-risk-to-homelessness. These recommendations concern two (2) new programs:

- a. **Good Neighbor Program** enlists local congregations, faith-based organizations, neighborhood associations/groups, other local community groups/individuals, and local government representatives to take on the responsibility of preventing at-risk-to-homelessness households from becoming homeless within their immediate neighborhood, particularly the Community Development Block Grant (CDBG) Benefit Service Area, in which at least 51% of all households are either very low-, low-, or moderate-income households;
- b. **Discharge Planning Program** prevents persons being discharged from publicly and privately funded institutions or systems of care from becoming homeless. This can be accomplished by preparing potential homeless persons in an institution to return to the community and linking those persons to essential housing and services, including enhancing and expanding their treatment options and effectiveness.

In addition, the Consolidated Plan recommends that a full-time "Homeless Coordinator" be hired and assigned responsibility for managing the "Good Neighbor Program" and the "Discharge Planning Program" and other related homeless service programs and activities.

3. Housing Needs

This section contains the statistical and analytical information that provides an overall picture of the City's housing needs for the ensuing five-year period (2005 - 2010) and supports the annual activities outlined in the Action Plan. Significant data and trends are as follows:

a. Population

In 1990, the City's total population was 131,591 according to U.S. Census Bureau and increased to 133,936 in 2000. This represents an increase of 1.8%;

- According to the Demographic Research Unit of the California Department of Finance, the City's total population has increased by approximately 10,000 residents between 2000 and 2004. This represents an average increase of 1.85% per year. If the current trend continues, the City's population will be approximately 161,000 in 2010.

b. Household Size

- Household size decreased between 1980 and 2000. In 1980 there were 2.93 persons per household and in 2000 2.52 persons per household which represents a decrease of .41 persons;
- The Demographic Research Unit of the California Department of Finance notes a reversal in household size since 2000—household size has increased from 2.516 in 2000 to 2.629 in 2004.

c. Number of Households

- The City of Pasadena will have more than 3,000 (3,106) more households in 2010 than in 2005.

d. Number of Housing Units

- Pasadena's housing stock increased by 2% between 1990 and 2000—there were 53,032 housing units in 1990 and 54,114 in 2000.

This section contains a housing market analysis. The analysis focused on demand, supply, affordability, and affordable housing production.

a. Demand

- The City will have more than 3,000 (3,106) more households in 2010 than in 2005 and in order to meet this demand, as many as 3,000 additional units will need to be added to the City's existing housing stock;
- In order to meet the demand of affordable housing for special needs populations including very low-, low-, and moderate-income households, as many as 1,200 (40%) of the additional 3,000 units would need to be added to the City's existing housing stock.

b. Supply

Pasadena's housing stock is continuing to increase significantly.

- c. Approximately 2,323² housing units have been or will be constructed since the inception of the Inclusionary Housing Ordinance in September, 2001 and 660 units or 28.4% will be affordable.

Rentals

- Rents have steadily increased during the past five (5) years. The following chart shows a steady increase in rents for one (1), two (2), and three (3) bedroom rentals during the past five (5) years. One (1) bedroom rentals increased from an average of \$650 in 1999 to \$893 in 2004 representing an increase of 37.4% while two (2) bedroom rentals increased 54.5% and three (3) bedroom rentals increased 42.9% during the same period of time.

Chart 1: Rental Costs: 1999 - 2004

Rental	1999	2000	2001	2002	2003	2004
1 Bedroom	650	740	804	866	868	893
2 Bedroom	782	940	1,060	1,208	1,180	1,208
3 Bedroom	1,150	1,255	1,300	1,360	1,346	1,643

Source: Beven and Brock Realtors, Pasadena CA

- monthly income available for housing costs for rentals and ownership for very low-income households was \$416, low-income households \$693, and moderate-income households was \$1,109 in 2004. This was determined by dividing the 30% of median income for housing costs for each group by twelve (12) months.

Chart 2: Housing Affordability for Very Low-, Low-, and Moderate-Income Households

Median Income:	\$55,468*
Very Low-Income:	
30% of Median Income	\$16,640
30% of Median Income for Housing Costs	\$4,992
Monthly Income Available for Housing Costs	\$416
Low-Income:	
50% of Median Income	\$27,734
30% of Median Income for Housing Costs	\$8,320
Monthly Income Available for Housing Costs	\$693
Moderate-Income:	
80% of Median Income	\$44,374
30% of Median Income for Housing Costs	\$13,312
Monthly Income Available for Housing Costs	\$1,109

Source: Federal Financial Institutions Examination Council, 2004.

*\$55,468 is the median household income for 2004 compared to \$46,000 for 2000.

² This number does not include single-family residences.

- Very low-, low-, and moderate-income households were “overburdened” in 2004. It is a commonly accepted measure of housing affordability that a household should not spend more than 30% of its income for basic housing costs. If so, the household is “overburdened.” Very low-income and low-income households were not able to pay 30% or less of their income for a one (1), two (2), or three (3) bedroom rental. Moderate-income households were able to pay 30% or less of their income for one (1) bedroom rentals. However, they have to pay more than 30% of their income for two (2) or three (3) bedroom rentals.

Chart 3: 30% Rental Housing Affordability Gap

Household Characteristics	Total Households		Unit Size	30% of Monthly Income	Monthly * Cost	Affordability Gap
	#	%				
Very Low-Income (30% of Median-Income was \$16,640)	8,454	16.4	1 Bedroom	\$416	\$893	-\$477
			2 Bedroom	\$416	\$1,208	-\$792
			3 Bedroom	\$416	\$1,643	-\$1,227
Low-Income (50% of Median Income was \$27,734)	5,649	10.9	1 Bedroom	\$693	\$893	-\$200
			2 Bedroom	\$693	\$1,208	-\$515
			3 Bedroom	\$693	\$1,643	-\$950
Moderate-Income (80% of Median Income was \$44,374)	5,966	11.6	1 Bedroom	\$1,109	\$893	+\$216
			2 Bedroom	\$1,109	\$1,208	-\$99
			3 Bedroom	\$1,109	\$1,643	-\$534
Total Households	20,069	38.9				

*Source: Beven and Brock Realtors, Pasadena CA

- Very low-, low-, and moderate-income households were “overburdened” when paying 40% of their monthly income for basic housing costs. Very low-income households were not able to pay 40% or less of their income for a one (1), two (2), or three (3) bedroom rentals. Low-income households were able to pay 40% or less of their income for one (1) bedroom rentals but not for two (2) or three (3) bedroom rentals. Moderate-income households were able to pay 40% or less of their income for one (1) and two (2) bedroom rentals but not for three (3) bedroom rentals.

Chart 4: 40% Rental Housing Affordability Gap

Household Characteristics	Total Households		Unit Size	40% of Monthly Income	Monthly * Cost	Affordability Gap
	#	%				
Very Low-Income (30% of Median Income was \$16,412)	8,454	16.4	1 Bedroom	\$554	\$893	-\$339
			2 Bedroom	\$554	\$1,208	-\$654
			3 Bedroom	\$554	\$1,643	-\$1,089
Low-Income (50% of Median Income was \$27,353)	5,649	10.9	1 Bedroom	\$924	\$893	+\$31
			2 Bedroom	\$924	\$1,208	-\$284
			3 Bedroom	\$924	\$1,643	-\$719
Moderate-Income (80% of Median Income was \$43,766)	5,966	11.6	1 Bedroom	\$1,479	\$893	+\$586
			2 Bedroom	\$1,479	\$1,208	+\$271
			3 Bedroom	\$1,479	\$1,643	-\$164
Total Households	20,069	38.9				

*Source: Beven and Brock Realtors, Pasadena CA

Ownership

- The median price of homes in Pasadena has increased since 1990. The median price of a home was \$270,000 in 1990 and increased to \$320,000 in 2000 which represents almost a 20% increase. The median price of a home has continued to increase during the past few years. In 2004, the median price of a home was \$469,000 which represents a significant increase of nearly 50%.

Chart 5: Median Home Price from 1990 - 1999

Year	Median Home Price
1990	\$270,000
2000	\$320,000
2004	\$469,000

Source: DataQuick Real Estate News

- 30% and 40% of the Pasadena area median income did not equal the required monthly payment (principal and interest only) for the median home price in 1990, 2000 or 2004. Additionally, the estimated monthly payment does not include mortgage insurance, hazard insurance, taxes, homeowner association fees, etc., which would substantially increase the total monthly housing costs beyond 30% or 40% of median income.

Chart 6: Median Income for Housing Costs

Year	Median Home Price	Median Household Income	30% of Median Income for Housing Costs	30% of Monthly Income for Housing Costs	40% of Median Income for Housing Costs	40% of Monthly Income for Housing Costs	Monthly Payment for Median Home Price
1990	\$270,000	\$35,000	\$10,500	\$875	\$1,400	\$1,167	\$1,457*
2000	\$320,000	\$46,000	\$13,800	\$1,150	\$18,400	\$1,533	\$1,727*
2004	\$469,000	\$55,000	\$16,500	\$1,375	\$22,000	\$1,833	\$2,530*

Source: U.S. Census Bureau; DataQuick Real Estate News

*Monthly payment does not include insurance, private mortgage insurance, taxes, etc.

- Very low-income households were able to afford a maximum home price of \$105,000 and based upon 30% of their monthly income they had an affordability gap of over \$2,000 per month and based upon 40% of their monthly income they had an affordability gap of over \$1,800 per month. Low-income households were able to afford a maximum home price of \$153,000 and based upon 30% of their monthly income they had an affordability gap of over \$1,800 per month and based upon 40% of their monthly income they had an affordability gap of over \$1,600 per month. Moderate-income households were able to afford a maximum home price of \$221,000 and based upon 30% of their monthly income they had an affordability gap of over \$1,400 per month and based upon 40% of their monthly income they had an affordability gap of over \$1,000 per month.

Chart 7: 30% of Monthly Income, Maximum Home Price, and Affordability Gap

Household Income Category	Total Households		30% of Monthly Income	Maximum Home Price*	Monthly Housing Cost for Median Priced Home of \$469,000	Affordability Gap
	#	%				
Very Low-Income (30% of Median income was \$16,412)	8,454	16.4	\$416.00	\$105,000	\$2,530.00	(\$2,114.00)
Low-Income (50% of Median Income was \$27,353)	5,649	10.9	\$693.00	\$153,000	\$2,530.00	(\$1,837.00)
Moderate-Income (80% of Median Income was \$43,766)	5,966	11.6	\$1,109.00	\$221,000	\$2,530.00	(\$1,421.00)
Total Households	20,069	38.9				

Source: Beven and Brock Realtors, Pasadena CA

* Maximum home price is based on a 30 year loan term at 5.5% interest and a down payment of 10%.

Chart 8: 40% of Monthly Income, Maximum Home Price, and Affordability Gap

Household Income Category	Total Households		40% of Monthly Income	Maximum Home Price*	Monthly Housing Cost for Median Priced Home of \$469,000	Affordability Gap
	#	%				
Very Low-Income (30% of Median income \$16,412)	8,454	16.4	\$554.00	\$105,000	\$2,530.00	(\$1,976.00)
Low-Income (50% of Median-Income \$27,353)	5,649	10.9	\$924.00	\$153,000	\$2,530.00	(\$1,606.00)
Moderate-Income (80% of median income \$43,766)	5,966	11.6	\$1,479	\$221,000	\$2,530.00	(\$1,051.00)
Total Households	20,069	38.9				

Source: Beven and Brock Realtors, Pasadena CA

* Maximum home price based on a 30 year loan term at 5.5% interest and a down payment of 10%.

d. Affordable Housing Production

The City's affordable housing production consist of essentially three (3) components: 1) Inclusionary Housing Units, 2) City-Assisted Housing Units, and 3) Sponsor-assisted Housing Units. Sponsor-assisted housing units have been basically included with City-assisted housing units due to the need to collectively leverage funds.

Of the 2,819³ housing units that have been or will be constructed since the enactment of the Inclusionary Housing Ordinance, 651 are affordable units to very low-, low-, and moderate income households. Additionally, an estimated 80 affordable units will be provided through the use of the Inclusionary Housing Trust Fund (In-Lieu Fees) and other public sources of revenue. This means that 26% or a total of 731 of the 2,819 housing units will be affordable.

4. Non-Housing Community Development Needs (including economic development)

- In April, 2005, the City's unemployment rate was 4.5% which is below the 5.6% unemployment rate for Los Angeles County;
- Pasadena's employment base has been restructured over the past decade, with the total number of jobs declining by approximately 7%. Job losses were concentrated in three (3) sectors: construction, manufacturing, and wholesale

³ This number does not include residential developments with nine (9) units or less.

trade, with average declines from 35% to 63%. These losses were slightly offset by increases in Finance, Insurance and Real Estate (FIRE), retail trade and transportation/public utilities;

- Many of the new job opportunities have occurred within the field of computer technology. The rising demand for information, further automation of offices and factories, advances in health and medicine and continuing scientific research has stimulated the demand for skilled programmers. However, there is a labor shortage for technology employment in Pasadena. Low unemployment rates have contributed to a dwindling pool of qualified candidates for these job opportunities.

5. Strategic Goals and Objectives

The primary goal of the Five –Year Consolidated Plan is to summarize the priorities and specific objectives to be addressed during the next five (5) years, and to identify the proposed housing and community development activities to be undertaken. The principal objectives are as follows:

a. Homelessness

- Provide homeless prevention, emergency shelters, transitional housing, permanent supportive housing, and supportive services for 7,740 individuals and families with special needs.

b. Housing

- Increase, improve and preserve the supply of affordable housing opportunities for 6,845 very low, low and moderate-income households through new construction, rehabilitation, rental and homeownership assistance.

c. Non-Housing Community Development

- Provide quality public services which meet basic human needs including health care, education, transportation and employment training for 25,000 persons;
- Provide technical and financial assistance to small businesses (including micro-enterprises), business incubators, and other commercial ventures through the provision of 250 loans and creation/retention of 500 jobs;
- Ensure compliance with federal regulations governing the provision of projects and services including fair housing, equal opportunity, project monitoring and reporting requirements.

6. Annual Action Plan for 2005 - 2006

The City is required to submit an annual action plan for each year of the five-year plan. This section identifies the activities the City plans to undertake during the first year. The activities are as follows:

a. Description of Public/Human Service Activities Planned with Federal Funds

Eighteen (18) activities will be implemented with Community Development Block Grant and Emergency Shelter Grant funds. Thirteen (13) activities focusing on health care, mental health care, senior services, education, and employment will be achieved with \$389,480 in Community Development Block Grant funds and four (4) activities concerning homeless services (shelter, food, and employment) will be achieved with \$98,526 in Emergency Shelter Grant funds and a match of \$107,636 in funds from the FNMA American Communities Fund Credit Facility Loan Interest Earnings.

b. Description of Non-Public Service Activities Planned with Federal Funds

Fifteen (15) activities will be implemented with Community Development Block Grant (CDBG) funds. The total amount of CDBG funds for these activities is \$2,469,351. These activities will focus on capital improvements, economic development, housing, code enforcement, and planning and administration. It is anticipated that approximately \$11 million in CDBG funds will be available for these activities over the next five (5) years.

Similarly, seven (7) housing activities will be implemented with HOME Investment Partnership (HOME) funds. The total amount of HOME for these activities is \$1,291,070. These activities will focus on homeownership assistance, homeownership and rental housing rehabilitation, tenant-based rental assistance and special needs housing.

c. Description of Activities Planned with Other Resources

1. Human Service Endowment Fund

The City of Pasadena established the Human Service Endowment Fund (HSEF) 1992 to support local human service activities. The HSEF is linked with the public/human service component of the Community Development Block Grant (CDBG) Program. The funding rationale for the collective allocation of these resources is based on annually established priorities for documented unmet human service needs. HSEF funds are made available on a two (2) year funding cycle. Through the CDBG request for proposal process, HSEF funds are awarded to community based human service organizations. Five (5) activities will be implemented with HSEF funds (\$113,200) for services for children, youth, and seniors.

2. The Cal Home Program (First-Time Homebuyers)

The Cal Home Program (First-Time Homebuyers) provides funding to the City for the First-Time Homebuyer Mortgage Assistance Program. During the 2001 year, \$500,000 was awarded to the City. To date, 14 First-Time Homebuyers have been assisted. In 2004, the CalHome Program awarded an additional \$500,000 to the City. The City's Sub-recipient, Pasadena Neighborhood Housing Services, Inc. (PNHS), a local non-profit housing organization, administers the program. These funds will be combined with other funding to assist the provision of 50 affordable units.

3. Low and Moderate Income Housing Trust Funds

The City of Pasadena Low and Moderate Income Housing Trust Fund is administered by the PCDC and funded by a portion of the tax increment revenues generated from the City's redevelopment projects. The redevelopment set-aside funds are mandated by state law to be used for activities that increase, improve or preserve affordable housing opportunities. The Housing Trust Funds have been used in a variety of ways to preserve and expand affordable housing opportunities including housing rehabilitation, land acquisition, housing construction, and assistance to eligible first-time homebuyers. These funds will be combined with other funding to assist 25 low-income first-time homebuyers.

4. Inclusionary Housing Trust Fund (In-Lieu Fees)

The Inclusionary Housing Trust Fund (the "Fund") was established by City Council action adopting the Inclusionary Housing Ordinance Chapter 17.71 (the "Ordinance"), 2001. The Fund is established for the receipt/collection of in-lieu fees paid as an alternative to the provision of newly constructed affordable housing units (inclusionary units) for low and moderate-income households. Priority for use of the fund is to assist developments providing housing that will be affordable to very low and low-income households. These funds will be combined with other funding to produce an estimated 80 affordable units.