



# Agenda Report

December 9, 2019

**TO:** Honorable Mayor and City Council

**FROM:** Department of Housing

**SUBJECT: AUTHORIZATION TO EXTEND A HOUSING ASSISTANCE PAYMENTS CONTRACT (AGREEMENT NO. CDC-733) WITH CENTENNIAL PLACE LIMITED PARTNERSHIP TO PROVIDE PROJECT-BASED VOUCHERS FOR PERMANENT SUPPORTIVE HOUSING**

## **RECOMMENDATION:**

It is recommended that the City Council:

- 1) Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b)(3), the "General Rule" that CEQA only applies to projects that may have a significant effect on the environment; and
- 2) Authorize the City of Pasadena to extend Agreement CDC-733 with Centennial Place Limited Partnership for a period of ten years to continue to provide 142 Project-Based Vouchers for permanent supportive housing for homeless individuals.

## **BACKGROUND:**

The former Pasadena Community Development Commission (PCDC) issued a Request for Proposals on October 26, 2009 to allocate Project-Based rental assistance Vouchers (PBVs) with funding provided by the U.S. Department of Housing & Urban Development (HUD) to permanent supportive housing (PSH) projects. Through this process, 142 PBVs for the Centennial Place PSH project, located at 235 E. Holly Street, were awarded to Centennial Place Limited Partnership, which entered into a ten year Housing Assistance Payment Contract (Agreement No. CDC-733) with the PCDC dated January 1, 2010. This contract will expire on December 31, 2019. Federal regulations in effect at that time allowed for four additional five-year extensions. Current regulations as stated in PIH-2017-21 Attachment G (3) allow for an extension of any length up to a maximum of twenty years. Upon Council authorization, the City intends to enter into a

ten-year extension of the contract, with the ability to extend for an additional ten years at the City's sole discretion and subject to availability and conditions as required by HUD.

Centennial Place provides PSH to up to 142 single adults who have experienced homelessness. PSH is supportive housing with onsite services provided to assist the resident to maintain the terms of their lease, stabilize their health, and improve the quality of their lives.

Choosing not to extend this Housing Assistance Payment Contract would cause the termination of existing rental subsidies. This would result in Centennial Place residents having to pay the full rent on the units, currently \$825/month. This rent would be unaffordable to the vast majority of the current residents, as well as future residents of the building with limited income. Centennial Place is currently the largest PSH provider in the City. If this resource became unaffordable to current and future residents, homelessness in the City would increase both from current residents falling back into homelessness and by removing a housing resource for those currently experiencing homelessness.

**COUNCIL POLICY CONSIDERATION:**

Approval of the subject recommendation will allow the continued provision of affordable housing for approximately 142 individuals who have experienced homelessness, with onsite services. The proposed recommendation is in accordance with the approved General Plan Housing Element, Five-Year Consolidated Plan, and Five-Year Public Housing Authority Plan.

**ENVIRONMENTAL ANALYSIS:**

The action proposed herein is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "General Rule" provision of CEQA which applies to projects which may have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The extension of an existing Housing Assistance Payment Contract for Project-Based Vouchers funding will not have a significant effect on the environment and, hence, is not subject to CEQA.

**FISCAL IMPACT:**

There is no fiscal impact as a result of this action and there will be no indirect or support cost requirements. The rental assistance program revenue and expenses (from which PBV expenses draw) for the contract period of July 1, 2019 through June 30, 2020 are included in the Department of Housing's adopted FY 2020 operating budget.

Respectfully submitted,

  
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