

# Agenda Report

November 4, 2019

**TO:** Honorable Mayor and City Council  
**FROM:** Housing Department  
**SUBJECT:** REPORT ON AFFORDABLE HOUSING

## **RECOMMENDATION**

The following report on Affordable Housing is for information only, no City Council action is required.

## **BACKGROUND**

The City of Pasadena has long been committed to meeting the housing needs of its current and future residents. Contained within the Housing Element of the General Plan are a number of Goals and Policies that support this effort. For example, Goal HE-2: An adequate supply and diversity of quality rental and ownership housing opportunities suited to residents of varying lifestyle needs and income levels. Listed under this goal are several policies including Policies HE-2.1 and HE-2.4:

**HE-2.1 Housing Diversity:** Facilitate and encourage diversity in types, prices, ownership, and size of single-family homes, apartments, town homes, mixed-uses, transit-oriented developments, and work/live housing, among others.

**HE-2.4 Affordable Housing:** Facilitate a mix of household income and affordability levels in residential projects and the appropriate dispersal of such units to achieve greater integration of affordable housing throughout the City.

Furthermore, the geographic dispersal of affordable housing is addressed in Policy HE-3.9: Promote a balanced geographical dispersal of assisted affordable housing developments and associated supportive social services for individuals and households throughout the community.

Currently, the City boasts 3,775 affordable housing units including Section 8, Special Needs, Family and Senior units. As indicated on Attachment A, these units are dispersed throughout the City, but generally are focused in non-single family

residentially zoned areas; with some exception for Section 8. Attachment B provides information solely as it relates to Inclusionary projects throughout the City. Again, given the nature of these projects, typically mixed-use or multi-family, they are found only in non-single family residential areas of the City.

Under the City's Inclusionary Housing Ordinance, developers subject to the Ordinance have the option to construct Inclusionary Units on-site, off-site or pay to the City an in-lieu fee. As it relates to the off-site option, historically, given concerns that developers would concentrate units in Northwest Pasadena, the Inclusionary Housing Regulations prohibited off-site Inclusionary Units in this portion of the City.

Following the loss of the State's redevelopment program, the Inclusionary Housing Regulations were amended to allow for off-site Inclusionary units in Northwest Pasadena in cases where the proposed project would provide homeownership housing and eliminate blight. For example, the Summit Grove project, completed in July 2018, provided 21 affordable homeownership units and eliminated a nuisance liquor store. Most recently, for the Lincoln Orange Grove project, this exception has allowed for the removal of an abandoned gas station to be replaced with 35 homeownership affordable units. Attachment C shows the location of off-site Inclusionary projects.

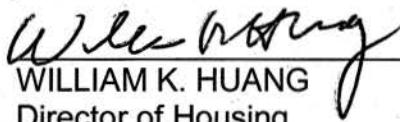
While the City is actively seeking to develop additional affordable and inclusionary housing, given existing single family zoning, discussed above, there is a potential for what may be considered an over concentration of such units in certain portions of the City. Currently, the Inclusionary Housing Regulations consider an "over concentration" to exists when either 50 rental units legally restricted (by means of a recorded instrument) for occupancy by Very Low and/or Low Income Households are located within one-eighth mile from the parcel proposed for the off-site Inclusionary Units, or when 200 rental units legally restricted (by means of a recorded instrument) to occupancy by Very Low and/or Low Income Households are located within one-quarter mile from the parcel proposed for the off-site Inclusionary Units. Of the six (6) projects with off-site Inclusionary units (shown in Attachment C) only the Summit Grove project is located within a one-quarter mile radius area of over concentration, as defined.

Beyond the definition of "over concentration" as it relates to off-site Inclusionary units, the City does not have a definition of what constitutes an over concentration of affordable housing. It is also important to bear in mind that the perception of affordable housing over concentration typically becomes an issue when the housing is poorly designed and/or not well managed/maintained. Well-designed and managed projects, such as Heritage Square Senior Apartments, Summit Grove and Marv's Place – all City covenanted developments – tend not to create a negative impact; quite the opposite, they are usually positive contributors to the neighborhoods in which they are located. For this reason, it may make sense to exclude City deed-restricted affordable housing projects from the Inclusionary definition of over concentration.

### **COUNCIL POLICY CONSIDERATION**

As indicated above, through the Housing Element of the General Plan the City Council has established policies related to affordable housing. To address the concerns about possible over concentration in the development of additional affordable housing, the City Council could establish additional policies, however, such action may reduce the potential for developing such properties.

Respectfully submitted,

  
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#### Attachments:

- Attachment A – All Affordable Housing - by Housing Type
- Attachment B – Affordable Housing: Inclusionary Projects
- Attachment C – Inclusionary Off-Site Projects