

DATE: MARCH 24, 2003

TO: PASADENA COMMUNITY DEVELOPMENT COMMISSION

FROM: CYNTHIA J. KURTZ, CHIEF EXECUTIVE OFFICER

SUBJECT: PUBLIC HEARING: APPROVAL OF THE SUBMISSION OF THE PUBLIC HOUSING AGENCY ANNUAL PLAN (2003-2004) TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RECOMMENDATION

It is recommended that the Pasadena Community Development Commission take the following actions:

1. Hold a public hearing to take comments on the Public Housing Agency Annual Plan (2003-2004); and
2. Adopt a resolution approving the Public Housing Agency Annual Plan (2003-2004) and authorizing the Chief Executive Officer to execute, and the City Clerk to attest any and all documents pertaining to its submission to the U.S. Department of Housing and Urban Development.

ADVISORY BODIES

The Public Housing Agency Annual Plan (the "PHA Plan") was submitted to the Resident Advisory Board (RAB), at its Bi-Annual meeting on February 24, 2003, for comments and recommendations. The RAB is comprised of individuals receiving rental assistance from the Pasadena Community Development Commission (PCDC). All RAB members present voted to recommend approval of the submission of the PHA Plan to the PCDC. No additional comments or recommendations were made.

On March 11, 2003, the PHA Plan was submitted to Northwest Commission for information only purposes. On March 13, 2003, the PHA Plan was submitted to the Community Development Committee (CDC) for comment and recommendation. Upon review, the CDC recommended approval of the Plan with the following modification to page 27, "No evictions within the last three (3) years" changed to "No tenant related evictions within the last three (3) years".

BACKGROUND

Quality Housing and Work Responsibility Act

In 1998, the U. S. Department of Housing and Urban Development (HUD) enacted the Quality Housing and Work Responsibility Act which called for the creation of a Public Housing Agency Annual Plan (PHA Plan). The PHA Plan provides details about the agency's immediate operations, program participants, programs, services, strategy for handling operational concerns, program participant concerns, and services for the upcoming fiscal year.

Rental Assistance Program

The City of Pasadena Tenant-Based Rental Assistance Programs, principally the Section 8 Housing Choice Voucher Program, are operated under the authority of the Pasadena Community Development Commission (PCDC) which is the designated local public housing authority/agency established by the City in April 1989. The PCDC provides 1,465 units/beds of affordable housing to very low and low-income households. This

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represents assistance for approximately three percent of the households residing within the City of Pasadena. However, for fiscal year 2002-2003, the total expenditures for the Section 8 rental assistance program were only \$6.4 million of a projected \$8.1 million budget.

Although the demand for affordable rental housing units is steadily increasing, based on current market trends the majority of new rental housing developments are targeted toward upper income households and rents for existing units are escalating beyond the ability of lower-income households to pay. Presently, there is limited production and/or existing availability of rental housing units affordable to lower-income households. The current market conditions have substantially restricted the utilization of the Commission rental assistance programs causing a reduced lease-up rate of 87%. Coupled with the limited availability of vacant land for new affordable housing development and an existing vacancy rate of approximately 2%, the provision of affordable rental housing units is unlikely without local, state or federal assistance. To provide some relief and alleviate an aspect of the housing burden, the PCDC has commenced implementation of the *Housing Initiatives* identified below.

PUBLIC HOUSING AGENCY ANNUAL PLAN

The PHA Plan enables the PCDC to establish mechanisms for addressing the rental housing needs of the City of Pasadena. It helps the PCDC to shape its various rental assistance programs into effective, coordinated, neighborhood and community development strategies.

The key elements of the PHA Plan include:

- ***Housing Needs Assessment/Market Analysis*** - describes the City's estimated housing needs and the significant characteristics of the City's housing market. This effort was performed in coordination with the preparation of the Housing Element of the General Plan.
- ***Strategy for Addressing Housing Needs*** - provides an overview of PCDC's plan of actions for addressing housing needs consistent with the goals, objectives, policies and programs identified in the Housing Element, Five Year Consolidated Plan 2000-2005, Implementation Plan 2001-2005, and the recently adopted Fair Housing Plan.
- ***Housing Initiatives*** – describes the housing initiatives which will be added or have increased efforts to meet the growing affordable housing need.

The Strategies and initiatives to maintain or increase Section 8 lease-up to be employed are as follows:

1. Advocate and apply for exception rents (above HUD fair market rents) that are comparable to the city's market rents.
2. Combine rental assistance with other housing programs as an incentive to property owners for substantial rehabilitation, new construction or preservation of housing units affordable to lower income households; for example: a) 270 Parke Street Property, b) 877 N. Orange Grove, c) Washington Theater, d) Orange Grove Gardens, e) Inclusionary Housing Projects, f) Centennial Place, etc.
3. Use Section 8 Project-based Rental Assistance to retain or create affordable rental housing units. This provides up to a five year commitment for landlords.
4. Market the program to owners, particularly those outside of areas of minority and poverty concentration, this includes landlord training workshops, new owners orientation classes monthly and timely rental assistance payments to owners.
5. Screen Section 8 applicants to increase owner acceptance of program,
6. Apply for additional Section 8 units should they become available.

CITIZEN PARTICIPATION/PUBLIC REVIEW

The PHA Plan has been developed in response to the broad range of public input from local residents, property owners, businesses, and organizations with interest in housing and community development issues. Draft copies of the PHA Plan were made available to the general public at all public libraries and five community centers (Jackie Robinson Center, Pasadena Senior Center, Villa-Parke Community Neighborhood Center, Victory Park Center, and El Centro de Accion Social) for a forty-five day public review and comment period. Public notices were placed in the Pasadena Star News, Pasadena Journal News and La Opinion from February 3, 2003, through March 24, 2003. The PHA Plan was also submitted to the RAB, Northwest Commission and Community Development Committee for review and comment. The PHA Plan will be submitted to the Housing Affordability Task Force for review and based on the Task Force's findings and recommendations the PHA Plan will be subject to future amendment.

CHILDREN, YOUTH, FAMILY IMPACT

The PCDC Rental Assistance Programs provides 1,465 bed/units of affordable subsidized housing to very low and low-income individuals/families. Of this number, 478 families include children and youth. Approval of the PHA Plan provides the HUD mandated policies and procedures to address the needs of these households and allows access to available federal resources. It sets forth the mechanism and initiatives to provide affordable decent, safe and sanitary housing that will enable seniors, disabled, children, youth, and families to live comfortably in a stable environment and receive appropriate supportive services.

FISCAL IMPACT

Submission of the PHA Plan to HUD will ensure compliance with HUD-stipulated rules and regulations for receipt of federal funds in excess of \$6.4 million for local rental assistance program activities. The Rental Assistance Programs administered by the PCDC provide an average of \$683.00 in rental subsidy per month toward the rental of housing for approximately 1,465 assisted very low and low-income households.

Respectfully submitted,



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