

Agenda Report

December 14, 2009

TO: Honorable Mayor and City Council

THROUGH: Ed Tech Committee (12/7/09)

FROM: Planning & Development Department

SUBJECT: Authorization to Amend the Desiderio Army Reserve Reuse Application to Include the Addition of Project-based Housing Assistance Payment Contracts at Centennial Place

RECOMMENDATION:

It is recommended that the City Council authorize staff to amend the Desiderio Army Reserve Reuse Application to reflect the inclusion of project-based Housing Assistance Payment Contracts at Centennial Place and direct staff to submit the documents to the appropriate Federal authorities.

EXECUTIVE SUMMARY:

In June 2007, staff submitted the Desiderio Reuse Plan and the required Homeless Assistance Submittal to the Department of Housing and Urban Development (HUD) for preliminary review. HUD returned a negative preliminary determination and suggested the City could achieve greater balance with the needs of the homeless by seeking to create additional housing units for the formerly homeless, as would have been provided in the Union Station proposal for the site.

Staff is proposing to amend the plan to reflect a new project in response to HUD's request. Specifically, the addition includes project-based Housing Assistance Payment contracts with Abode Communities for rent subsidies to assist 116 housing units at the Centennial Place project. Action to approve the details of the proposal and a more detailed description are included in a separate Council agenda report. It is anticipated that the addition of these amendments will satisfy the requirements from HUD and will allow the Desiderio Concept Plan to move forward to the Department of Defense (DOD) for further action.

BACKGROUND:

On June 4, 2007, City Council approved a Concept Plan for the reuse of the Desiderio Army Reserve Center after a lengthy public participation process. The Plan requires

25% of the land to be transferred through a public benefit conveyance to Habitat for Humanity to build nine affordable single-family residences in a bungalow court format and the remaining 75% to be transferred to the City through a public benefit conveyance for use as city parkland. The Plan also includes an option for a community building within the park not to exceed one story and 8,000 square feet with an additional 8,000 square feet below grade.

Federal regulations require that the recommended concept plan and a Homeless Assistance Submittal be submitted to the Department of Defense and the Office of Housing and Urban Development for preliminary review. The Homeless Assistance Submittal requires information about the homeless population in Pasadena and a description of why homeless assistance proposals were or were not recommended for the site. Pasadena received only one proposal from a homeless assistance provider. Union Station/Southern California Housing Corporation proposed 75 affordable units serving the needs of formerly homeless families. The document describes the reasons why that proposal was not selected.

After submitting both documents in June of 2007, the City received a letter from HUD outlining a preliminary determination that identified deficiencies in the Homeless Assistance Submittal. Specifically, HUD found insufficient information regarding whether the Plan "balances the needs" of the community for economic redevelopment and other development with the needs of the homeless. In follow-up conversations, HUD provided further direction and requested that the City seek to create additional housing units for the formerly homeless, as would have been provided in the Union Station proposal for the site, and submit a revised application.

As a result of that direction from HUD, City staff began searching for opportunities to increase the City's inventory of permanent supportive care units. Several proposals were explored without success and the DOD approved multiple extensions to the submittal deadlines to allow further exploration of alternatives.

Earlier this year, staff identified a potential project that received informal preliminary support from both DOD and HUD. As discussed in further detail in a separate Council agenda report, staff is recommending project-based Housing Assistance Payment contracts under the Housing Choice Voucher Program with Abode Communities for the provision of rent subsidies to assist 116 housing units at the Centennial Place project.

A collaborative effort has been underway between representatives of the City's Housing Department, Abode Communities, Union Station Homeless Services, and the County of Los Angeles, to enhance Centennial Place to expand rent subsidies for its residents, improve supportive services, and fund capital improvements to the buildings.

The most recent extension from DOD provides until December 31, 2009 to submit the revised document. DOD has indicated that it will not agree to any further extensions due to the fact that they have begun moving personnel out of the Desiderio facility and subsequently would like to expedite resolution of the site.

COUNCIL POLICY CONSIDERATION:

The action set forth in this report is consistent with the Housing Element of the General Plan which seeks to ensure the affordability of housing stock, address individuals and families with special housing needs, and balance growth with preservation of the unique aspects of Pasadena.

FISCAL IMPACT:

If HUD approves the revised Homeless Assistance Submittal as revised per this report, the City would be positioned to receive 75% of the Desiderio site through a public benefit conveyance for use as City parkland. Cost estimates for preparation of the site, as prepared with the original application in 2007, were estimated at between \$650,000 and \$773,000 including demolition of existing buildings, mitigation of hazardous materials, removal of asphalt and grading. Costs for park design and construction were estimated at \$1.7 million.

Respectfully submitted,



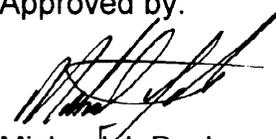
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