

# City of Pasadena General Plan Draft Housing Element



2008 - 2014





City of Pasadena  
General Plan  
Draft Housing Element  
2008–2014



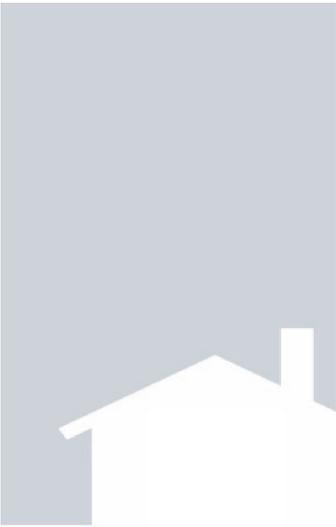
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# Table of Contents

- INTRODUCTION..... 1-1
  - Framing the Challenge..... 1-1
  - Purpose and Content of Element ..... 1-2
  - Involving Our Community ..... 1-3
  - Relationship to Other Planning Efforts..... 1-7
  
- HOUSING NEEDS ..... 2-1
  - Introduction..... 2-1
  - Population Characteristics ..... 2-2
  - Economic Characteristics ..... 2-6
  - Housing Characteristics ..... 2-9
  - Special Housing Needs ..... 2-19
  - Housing Construction Needs ..... 2-31
  - Housing Preservation ..... 2-33
  
- HOUSING CONSTRAINTS ..... 3-1
  - Introduction..... 3-1
  - Market Factors..... 3-2
  - Governmental Factors ..... 3-9
  - Housing Opportunities..... 3-11
  - Environmental Factors ..... 3-35
  
- HOUSING RESOURCES..... 4-1
  - Introduction..... 4-1
  - Housing Construction ..... 4-2
  - Land Resources ..... 4-11
  - Financial and Administrative Resources ..... 4-27
  
- PROGRAM EVALUATION..... 5-1
  - Introduction..... 5-1
  - Goal 1: Housing Production..... 5-2
  - Goal 2: Housing Rehabilitation ..... 5-6
  - Goal 3: Housing Preservation..... 5-11
  - Goal 4: Homeownership Assistance..... 5-15
  - Goal 5: Rental Assistance..... 5-17
  - Goal 6: Special Needs..... 5-20

TABLE OF CONTENTS

COMMUNITY INITIATIVES ..... 6-1

- Introduction ..... 6-1
- Issue 1: Housing Production ..... 6-3
- Issue 2: Housing Diversity ..... 6-6
- Issue 3: Entitlement Process ..... 6-9
- Issue 4: Social Diversity ..... 6-12
- Issue 5: Housing Resources ..... 6-15
- Issue 6: Administrative Capacity ..... 6-18

HOUSING PLAN ..... 7-1

- Overview ..... 7-1
- Housing Policy Framework ..... 7-2
- Housing and Neighborhood Quality ..... 7-8
- Housing Supply and Diversity ..... 7-14
- Housing Assistance ..... 7-21
- Special Housing Needs ..... 7-26

**Figures**

Figure 4-2 Potential Housing Sites ..... 4-17

**Tables**

Table 2-1 Age Profile, 1990 and 2000 ..... 2-3

Table 2-2 Race and Ethnic Profile, 1990 and 2000..... 2-4

Table 2-3 Household Type, 1990 and 2000..... 2-5

Table 2-4 Employment by Industry ..... 2-6

Table 2-5 Household Income, 2000 and 2006..... 2-7

Table 2-6 Household Income Distribution ..... 2-8

Table 2-7 Housing Composition, 2000–2008..... 2-9

Table 2-8 Housing Tenure, 2000..... 2-10

Table 2-9 Pasadena Rents 2006..... 2-12

Table 2-10 Affordability of Rentals in Pasadena, 2008..... 2-13

Table 2-11 Housing Problems of Low Income Households ..... 2-16

Table 2-12 Special Needs Groups in Pasadena ..... 2-19

Table 2-13 Affordable Family Housing in Pasadena ..... 2-21

Table 2-14 Senior Housing in Pasadena..... 2-23

Table 2-15 Student Housing in Pasadena ..... 2-25

Table 2-16 Housing for Disabled People in Pasadena..... 2-27

Table 2-17 Homeless Housing Needs ..... 2-29

Table 2-18 Housing for At-Risk Children in Pasadena ..... 2-30

Table 2-19 2006–2014 Pasadena RHNA..... 2-32

Table 2-20 Assisted Rental Housing Inventory ..... 2-34

Table 2-21 Preservation Strategy: Replace Section 8 Subsidies ..... 2-37

Table 2-22 Preservation Strategy: Construct New Units ..... 2-38

Table 2-23 Preservation Strategy: Purchase Projects ..... 2-39

Table 2-24 Preservation Strategy: Summary..... 2-40

Table 3-1 Development Fees..... 3-4

Table 3-2 Land Sales for Residential Uses, 2006–2008..... 3-6

Table 3-3 Residential Land Use Categories..... 3-9

Table 3-4 Pasadena Specific Plan Areas..... 3-10

Table 3-5 Conventional Housing Opportunities ..... 3-11

Table 3-6 Special Needs Housing Opportunities ..... 3-14

Table 3-7 Residential Development Standards ..... 3-19

Table 3-8 Parking Standards..... 3-20

Table 3-9 Garden Standards ..... 3-21

Table 3-10 Inclusionary Housing In-Lieu Fees ..... 3-25

Table 3-11 Reasonable Accommodation..... 3-28

Table 4-1 Credits toward the RHNA ..... 4-3

Table 4-2 Pasadena Specific Plan Growth Areas..... 4-11

Table 4-3 Inventory of Housing Sites ..... 4-13

Table 4-4 Sample of Recent Projects ..... 4-21

## TABLE OF CONTENTS

Table 4-5	2006–2014 Pasadena RHNA.....	4-23
Table 6-1	Housing Initiatives to Increase New Housing.....	6-4
Table 6-2	Housing Initiatives to Improve Housing Choice.....	6-6
Table 6-3	Housing Initiatives to Improve Project Approval.....	6-10
Table 6-4	Housing Initiatives to Reduce Displacement.....	6-13
Table 6-5	Housing Initiatives to Enhance Resources.....	6-15
Table 6-6	Initiatives to Enhance Administrative Capacity.....	6-18
Table 7-1	Quantified Objectives.....	7-7
Table 7-2	Housing Implementation Summary.....	7-32

## Charts

Chart 2-1	Pasadena Population Growth, 1970–2008.....	2-2
Chart 2-2	Pasadena, Tenure of Residents, 2000.....	2-10
Chart 2-3	Pasadena Apartment Rents, 1999–2007.....	2-12
Chart 2-4	Household Overcrowding in Pasadena, 2000.....	2-14
Chart 2-5	Household Overcrowding in Pasadena, 2000.....	2-15
Chart 2-6	Pasadena, Housing Build by Decade.....	2-17
Chart 5-1	Housing Construction Goals and Accomplishments, 1998–2005.....	5-2
Chart 5-2	Housing Rehabilitation Goals and Accomplishments, 2000–2005.....	5-6
Chart 5-3	Housing Preservation Goals and Accomplishments, 2000–2005.....	5-11
Chart 5-4	Homeownership Goals and Accomplishments, 2000–2005.....	5-15
Chart 5-5	Rental Assistance Goals and Accomplishments, 2000–2005.....	5-17
Chart 5-6	Special Needs Goals and Accomplishments, 2000–2005.....	5-20



# Introduction

This chapter introduces the 2008–2014 Housing Element, including its purpose and content, public outreach process, and relationship to other City planning efforts.

## FRAMING THE CHALLENGE

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Incorporated in 1886, Pasadena is a thriving community of 148,000 persons located at the foot of the San Gabriel Mountains. The City is renowned for its vibrant economy, educational institutions, cultural amenities, strong neighborhoods, diverse housing, and high quality of life. These amenities distinguish Pasadena as one of the most livable and sought-after communities in Los Angeles County.



Over the past decade, the City of Pasadena has seen significant and rapid changes to its housing market. Bolstered by rising land costs, high construction costs, and low vacancy rates, the median sales price for housing has tripled since the late 1990s, though the recent downturn have moderated sales prices. Rents have also increased, though to a much lesser degree. Despite significant programmatic efforts, the City's housing needs have evolved with gradual demographic changes.

As the City of Pasadena plans for the 2008–2014 Housing Element planning period, the City will continue to face several key challenges to achieving its long-term vision for housing and its community. These challenges include:

- Accommodating growth in a responsible manner
- Maintaining social and economic diversity
- Providing diverse housing types and prices
- Providing quality housing and neighborhoods
- Assisting residents with special housing needs

The Housing Element seeks to address these factors in a responsible manner, while balancing them with other City goals and objectives.

## PURPOSE AND CONTENT OF ELEMENT

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California law (Government Code, Section 65583) requires that cities develop housing programs to meet their fair share of existing and future housing needs for the community. To comply with state law and provide housing opportunities for residents, the City of Pasadena prepares a housing element. The Housing Element is a state-mandated chapter of the Pasadena General Plan and is intended to address the production, maintenance, and improvement of housing. The current Housing Element covers a six-year planning period, from 2008 to 2014.

This Housing Element is organized into seven chapters:



- **Chapter 1: Introduction.** Introduction to the 2008-2014 Housing Element, including purpose, content, organization; the five year process of community outreach and engagement, and relationship of the Housing element to other ongoing city planning efforts
- **Chapter 2: Housing Needs.** Analysis of demographic, economic, social, and housing characteristics of Pasadena residents and an assessment of current and future housing needs in the community arising due to population and employment growth and change
- **Chapter 3: Constraints Analysis.** Analysis of potential and actual market and government constraints that affect the development, maintenance, and improvement of housing for all income groups and people with disabilities commensurate with the City's identified housing needs
- **Chapter 4: Housing Resources.** Inventory of resources available to address the City's housing needs, including available land to accommodate new housing, financial resources to support program efforts, and administrative capacity to manage housing programs
- **Chapter 5: Program Evaluation.** Evaluation of current housing programs and success in addressing the housing needs identified and planned for in the 2000-2005 Housing Element
- **Chapter 6: Community Initiatives.** Discussion of community initiatives proposed by the Housing Affordability Task Force, numerous task forces, Housing Agenda, and other focused housing policy and program discussions
- **Chapter 7: Housing Plan.** Housing goals, policies, and programs designed to facilitate and encourage the maintenance, development, and improvement of housing for people of all economic levels, including persons with disabilities commensurate with the City's housing needs



## INVOLVING OUR COMMUNITY

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Pasadena recognizes that citizen participation is critical to achieving its vision. The City’s vision affirms that people who live and work in Pasadena are the greatest asset. Pasadena welcomes the involvement and commitment that produces a greater quality of life, with citizens and city government working in partnership. This vision is reflected in the General Plan as a guiding principle in that “community participation will be a permanent part of achieving a greater City.”

Such a process is also important for the Housing Element update. Since the 2000–2005 Housing Element was prepared, the City has undertaken an extensive planning effort to engage the community in defining housing issues, needs, and programs. Thus, the 2008–2014 Housing Element is the culmination of five years of continued public participation and community involvement. The two most comprehensive efforts are described in greater detail. Chapter 6 provides a fuller discussion of community outreach efforts and the resulting program recommendations.

### HOUSING AFFORDABILITY TASK FORCE

In 2002, the City of Pasadena convened a Housing Affordability Task Force (HATF) to examine the City’s housing needs, review current housing programs, and propose new initiatives to improve housing opportunities. The committee consisted of an exceptionally broad range of participants, including residents, housing advocates, developers, community groups, and many other participants who brought their collective knowledge and background to discuss how to address Pasadena’s most pressing housing needs. Chapter 6 provides a summary of their deliberations.

Their charge was to analyze specific programs and identify resources for the creation and preservation of low and moderate income housing, especially for families and persons with special needs. This process included the identification of opportunities to cooperate with regional housing advocates and other cities to expand affordable housing opportunities. The Committee also identified hindrances to development of housing projects in the City’s approval process and land use regulations, and incentives for participation in affordable housing programs by the private sector.

Over a period of nearly nine months, the HATF met and discussed program ideas. The HATF produced a final report with a number of recommendations for housing programs to consider for further evaluation and adoption. A Minority Report was also produced by several members of the HATF encouraging additional housing programs. The full Committee report approved by the HATF, the Minority Report authored by members of the HATF, and other supporting materials and research are available at the City website at <http://cityofpasadena.net/housing>.

## HOUSING COMMITTEE EFFORTS



As is consistent with a guiding principle of the General Plan, the City of Pasadena continues to engage the community in defining City housing needs and discussing creative ways to address them within the unique constraints facing the city. Following the HATF, the City has held or participated in a number of special committees to undertake or provide input on certain housing-related subjects.

These committees included, but are not limited to, the following:

- **City of Gardens Committee (2005).** A committee organized to review the City's Garden Design Standards to evaluate modifications to meet the intent of the ordinance while also facilitate the production of new housing.
- **PUSD 711 Commission (2005).** A commission initiated by Pasadena Unified School District (PUSD) that was designed to investigate and evaluate the use of surplus school sites for housing and other uses.
- **Housing Summit (2006).** A City-led workshop that further distilled various housing initiatives proposed for consideration to address recommendations of the prior four forums.
- **Housing Agenda for Action (2006).** A comprehensive evaluation of existing housing programs and future or proposed housing initiatives done in concert with The Planning Center and Urban Land Institute.
- **Workforce Housing Task Force (2007).** A commission focusing on the creation of workforce housing, an income group that is currently ineligible for City housing assistance and unable to afford housing.
- **Condominium Conversion Task Force (2008).** A task force intended to study the issue of loss of affordable units due to condominium conversions and impact on the supply of affordable rental housing.
- **Second Unit Community Meetings (2009).** The City completed a series of community meetings to evaluate its second unit ordinance to determine potential modifications that might incentivize production of second units.

The City of Pasadena has also established, as part of the Housing Element, policy and program guidance to continue the engagement and involvement of the community in discussing housing needs and creative ways to best meet these needs.

## HOUSING AGENDA FOR ACTION

In 2006, the City initiated an innovative effort designed to refine the policy and programmatic discussions that had occurred since adoption of the Housing Element. The City prepared a Housing Agenda for Action (Appendix B) The Housing Agenda for Action was designed to: 1) provide clarity and consensus on the key housing needs and priorities facing Pasadena; 2) assess and evaluate existing housing

programs and their effectiveness in meeting Pasadena's needs; and 3) provide realistic housing strategies to best address the City's unmet housing needs.



The Housing Agenda analyzed and evaluated nearly 50 existing and proposed programs. In addition, the Agenda proposed 12 broad initiatives to consider pursuing for the upcoming housing element period. The City also solicited the Urban Land Institute, led by national experts in housing and land use policy, to provide peer review for the effort. ULI interviewed more than 30 nonprofit organizations, housing, and planning staff; community advocates; developers; City Council; residents; and other stakeholders. This process concluded in March 2007.

The effort produced a final report with recommendations for housing programs to consider for further evaluation and adoption. The full report and other materials are accessible to all at <http://www.ci.pasadena.ca.us/housing/taskforce.asp>.

## **PUBLIC WORKSHOPS**

In addition to the five years of ongoing discussion regarding housing initiatives, the City of Pasadena held a series of public workshops specifically on the Housing Element to hear from the community regarding their concerns. The workshops were held on February 28, March 25, and June 10, 2008. The workshops were widely publicized, included on the City's website for announcing all public meetings, and flyers were distributed in a wide number of venues. Translators were also provided at the meeting to assist non-English speaking members. A fourth workshop was held on July 29, 2008 to introduce the draft Housing Element. The Housing Element was also posted on the City's website to solicit further opportunities for comment.

The following summarizes the major housing issues and overall themes that surfaced during these meetings, which were widely attended.

### **Theme: Social and Economic Diversity**

Increasing housing prices and rents have raised concern of the potential impact on the community. Pasadena residents indicated a strong desire to maintain Pasadena's social and economic diversity, and strong sense of community. Preserving a range of housing types, prices, and affordability is essential to this goal.

#### ***Program Response:***

- Multi-family Rehabilitation with Affordability Covenants
- Preservation of At-Risk Units
- Condominium Conversion Ordinance
- Historic Preservation Incentives
- Homeownership Opportunities
- Rental Assistance

### **Theme: Neighborhood Fabric**

Pasadena's neighborhoods are one of City's greatest assets and the City should maintain and improve the housing stock and protect neighborhood character. It is essential to balance Pasadena's housing growth needs with infrastructure and service capacity to accommodate development. Providing additional parks/open space, adequate parking, traffic management and expanded services as the City grows are all critical in maintaining Pasadena as a desirable place to live.

#### **Program Response:**

- Code Enforcement
- Neighborhood Revitalization
- Northwest Pasadena Programs
- Housing Inspection Programs
- Historic Design Guidelines
- Historic Preservation Incentives
- Housing Rehabilitation Incentives

### **Theme: Affordable Housing**

Over the past ten years, Pasadena housing prices have tripled as the community has become one of the most sought after places to live and work in southern California. Although the City has produced significantly more affordable housing in recent years, the housing crisis continues to worsen. It is thus critical to expand resources and programs to increase the provision of affordable units.

#### **Program Response:**

- Housing Opportunity Fund
- Land Assemblage/ Write Down
- Fee Reductions
- Land Use Element and Sites Inventory
- Regulatory Requirement/Incentives for Affordable Production

### **Theme: Housing Design**

Quality housing design is essential to preserving neighborhood character. Moreover, with recent changes in our understanding of housing needs and the relationship of housing to broader environmental priorities of Pasadena, the City should focus on encouraging housing that is sustainable and accessible to residents.

#### **Program Response:**

- Design Review
- City of Gardens Standards
- Historic Design Guidelines
- Green Building Program
- Visitability/Universal Design

**Theme: Special Needs**

Pasadena has many special needs populations that warrant special consideration—seniors, persons with disabilities, modest income families, single-parent families, emancipating youth, people who are homeless, and those at risk of homelessness.

**Program Response:**

- Housing for Youth and Families
- Housing for Persons with Disabilities
- Special Needs Rental Assistance
- Continuum of Care
- Senior Housing and Services

## RELATIONSHIP TO OTHER PLANNING EFFORTS

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**CITY VISION**

Pasadena is a world-class model of a successful urban community. Pasadena's distinctive quality of life is exemplified by its unparalleled physical beauty, culture, and diversity. City officials are involved in an active partnership with citizens to foster educational, cultural, and economic opportunities in a safe, vibrant, and healthy community. The City's goals are:

- Assure a safe and secure community
- Foster economic prosperity
- Create neighborhood vitality and livability
- Reinvest in parks and parklands
- Create a more effective, cost-efficient government
- Improve the public school system
- Make water and power utilities market competitive

**GENERAL PLAN VISION**

The City of Pasadena's General Plan provides a context for understanding how housing fits into the City's vision. The Pasadena General Plan is guided by seven guiding principles:

- Growth will be targeted to serve community needs and enhance the quality of life.
- Change will be harmonized to preserve Pasadena's historic character and environment.
- Economic vitality will be promoted to provide jobs, services, revenues, and opportunities.
- Pasadena will be promoted as a healthy family community.



- Pasadena will be a city where people can circulate without cars.
- Pasadena will be promoted as a cultural, scientific, corporate, entertainment and educational center for the region.
- Community participation will be a permanent part of achieving a greater city.

Within this context, the Housing Element affirms that all Pasadena residents have an equal right to live in decent, safe, and affordable housing in a living environment suitable for the long-term well-being and stability of themselves, their families, their neighborhoods, and their community. The City's Housing Vision is to maintain a socially and economically diverse community of homeowners and renters.

### **GENERAL PLAN CONSISTENCY**

The 2008–2014 Housing Element is designed to be consistent with the various chapters or elements of the Pasadena General Plan. The City is currently in the process of updating its comprehensive General Plan and individual elements have been sequentially updated since 2004. In 2009, the Land Use and Mobility Element will be updated. Envisioned changes include a focus on greenhouse gas emissions and land use policies to reduce potential impact on global warming consistent with the City's longstanding commitment to sustainable development.

Other changes in land use policy and their associated mobility implications will be evaluated and such changes may affect the number of sites for housing. Thus, this Housing Element identifies a significant surplus of potential housing sites to address the regional housing needs assessment. Should the Land Use and Mobility Element or other elements of the General Plan be changed, the City will amend the Housing Element as needed to ensure consistency with the General Plan and ensure that adequate sites remain available to accommodate the City's unmet share of the regional housing needs assessment.



# Housing Needs

This chapter provides an overview of Pasadena and explores the City’s population, economic, housing, and other characteristics to provide insight into housing needs that will provide the foundation for housing programs.

## INTRODUCTION

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After nearly a decade of improvement in the housing market, Pasadena faces new challenges to meeting its current and future housing needs. A slowdown in the economy, the housing market boom and downturn, and others factors affect Pasadena ability to address its housing needs. This housing needs assessment is designed to explore factors that influence the City’s housing needs and define challenges to addressing those needs.

The housing needs assessment is divided into five sections, each providing information and analysis that underpins the Housing Plan.

- **Demographic Characteristics.** These include population growth and change, race and ethnicity, age characteristics, and household composition and type.
- **Economic Characteristics.** Employment patterns, household income, and other factors that affect the demand for housing and the ability to afford housing.
- **Housing Characteristics.** Inventory of housing, including supply, characteristics, vacancy and tenure, housing prices, and affordability.
- **Special Needs.** Includes seniors, people with disabilities, large families, single-parent families, people who are homeless, and other special needs groups.
- **Housing Needs.** Assessment of housing needs of overpayment, overcrowding and housing production to accommodate future population and job growth.
- **Housing Preservation.** Analysis of publicly-subsidized affordable housing that is at-risk of conversion to nonaffordable rents during the planning period.

This assessment provides the foundation for discussing the constraints and resources to meeting the City’s housing needs and the menu of current and proposed programs to be implemented during the 2008–2014 housing element planning period.

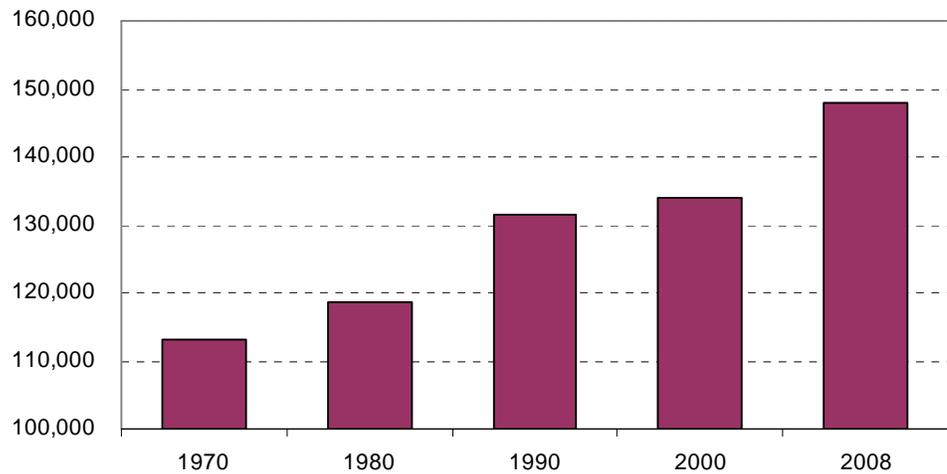
## POPULATION CHARACTERISTICS



Housing demand is influenced by population characteristics, including population growth and change, race and ethnic composition, age, and household type. This section briefly highlights major demographic changes that have implications for the type and prices of housing desired in Pasadena.

### POPULATION GROWTH

Pasadena is the seventh-largest city in Los Angeles County, with a population of approximately 148,000 according to the Department of Finance. Over the past 50 years, the City’s population has increased at an average of less than 1 percent annually. Population growth in Pasadena has largely followed the development of housing. During the 1950–1960s, development was most evident in Hastings Ranch. By the 1970–1980s, however, development pressures had begun to move to the downtown, with recycling of existing land uses and development of remaining large tracts of land. In the past two decades, however, residential and mixed use developments have been built predominantly in the Central District and near major activity centers in the city. Chart 2-1 displays population growth in Pasadena over the past forty years.



**Chart 2-1 Pasadena Population Growth, 1970–2008**

Pasadena’s continued population growth and demographic changes will bring many challenges and opportunities. What types of housing are best suited to meeting new residents who will soon call Pasadena home? How do we accommodate the housing and service needs of the aging baby boom generation? Where and how should the City grow to accommodate housing? The remainder of this section explains demographic, economic, housing, and other factors that set the stage for this policy discussion.

## AGE CHARACTERISTICS

Pasadena's housing needs are influenced by the age characteristics of residents. Some age characteristics are more prevalent in Pasadena, while other patterns reflect broader changes in the age characteristics of society. Different age groups have different lifestyles, family types, and income levels that affect their preference and ability to afford housing. Understanding changes in age characteristics and associated preferences in housing over time thus provides insight into present and future housing needs.

During the 1990s, Pasadena's population experienced very modest growth, increasing by only 2,300 residents, as illustrated in Table 2-1. Yet despite modest population growth, significant changes occurred in individual age groups. The number of young adults ages 18–34 in Pasadena, similar to trends within Generation X throughout the country, declined by 5,778 residents or 13 percent. Generation Y also increased significantly. Consistent with nationwide trends in the baby boom population, Pasadena saw an increase of 5,432 adults within the 45–64 age group.

Population age also impacts the type of housing needs in a community: the 18–34 age group typically represents the greatest source of demand for apartments, the 35–44 age group typically represents the largest group entering the homeownership market and looking for larger housing accommodations, and the 45–64 age group is the largest market for more expensive single-family homes. Although many seniors remain in their homes, they tend to seek smaller and more manageable housing options over time. Another emerging area of housing need is seniors looking for life/care facilities.

**Table 2-1: Age Profile, 1990 and 2000**

Age of Resident	Number of Residents		1990–2000 Change	
	1990	2000	Number	Percent
< 18	28,983	30,956	1,973	7%
18–34	42,992	37,214	-5,778	-13%
35–44	20,170	22,004	1,834	9%
45–64	22,108	27,540	5,432	25%
65+	17,338	16,222	-1,116	-6%
<b>Total</b>	<b>131,591</b>	<b>133,936</b>	<b>2,345</b>	<b>2%</b>

Source: U.S. Census, 1990 and 2000.

According to the American Community Survey and larger demographic studies of the Los Angeles region and State of California, Pasadena can expect the median age of its residents to continue increasing, from 32.7 years in 1990 to 34.5 years in 2000 and still higher in the present decade. Inasmuch as housing needs are correlated with resident age characteristics, and demand is changing in the region as a whole, the City of Pasadena can expect to see a gradual shift in demand for housing products, in particular senior housing or housing that is more accessible and manageable for seniors.

## RACE AND ETHNICITY

The City of Pasadena, from its earliest beginnings, was known for its diverse population. The population boom before the 20th century included Chinese and Mexican workers on the railroads, and African Americans, who started small businesses or worked in the large houses and hotels in Pasadena. Over time, Northwest Pasadena became home to Latino and African American residents—a pattern still part of the City’s fabric today.

Over the 1990s, the City of Pasadena saw almost no increase in population, but a significant change in the race and ethnic composition of its residents. As shown in Table 2-2, race and ethnic changes included a significant decline in both White and African-American residents, and a significant increase in both Latino and Asian residents. As of the 2000 Census, no group held a majority. Whites comprised 39 percent of the population, followed by Hispanics with 33 percent, African-Americans with 14 percent, and Asians with 10 percent, and the remainder comprised of various groups.

Although Pasadena has gradually become more integrated, some areas still have a concentration of minority residents. A commonly accepted definition of “concentration” is when persons of one race and ethnic group in a neighborhood comprise a higher percentage of that neighborhood than their overall proportion of the population countywide. Under this definition, African Americans and Hispanics are more concentrated in Northwest Pasadena and Whites are the majority in other areas of the City. Asians are more concentrated in southern Pasadena.

**Table 2-2: Race and Ethnic Profile, 1990 and 2000**

Age of Resident	Number of Residents		1990–2000 Change	
	1990	2000	Number	Percent
White	61,325	52,381	–8,944	–15%
Latino	35,912	44,734	8,822	25%
African American	23,391	18,711	–4,680	–20%
Asian	10,171	13,357	3,186	31%
All Others	792	4,753	3,961	–
<b>Total</b>	<b>131,591</b>	<b>133,936</b>	<b>2,345</b>	<b>2%</b>

Source: U.S. Census, 1990 and 2000.

No comparable survey to the 2000 Census is available that indicates changes in residents since then. School enrollment data does not correspond specifically to City boundaries. The only statistical survey is the American Community Survey (ACS), which suggests a continuation of trends observed in the 2000 Census. These include a continued decline in African Americans, and increases in Latinos and Asians. Unlike previous decades, Whites appear to be increasing. The 2010 Census will provide more definite information that can be used to assess any changes in the race and ethnic distribution of residents.

## HOUSEHOLD TYPE

Characteristics of household, such as size, single versus double income, and physical ability, influence the type of housing preferred. Families with young children often seek the living space and the financial investment that single-family homeownership offers. In contrast, single-person households tend to desire apartments and townhomes that are easier to afford and maintain, and offer greater mobility. These patterns underscore the need for a diversity of housing types and prices for different households in the city.

The U.S. Census Bureau classifies households into a variety of categories that are useful for assessing changes in housing preferences and needs. Households include either families or nonfamilies. Families include married couples, with and without children, and related persons living together, such as single-parent families. Nonfamilies include single-person households and unrelated people living in the same home. Persons living in group quarters such as college dormitories, nursing homes, residential care facilities, and other similar settings are not counted as a household.

During the 1990s, the number of households in Pasadena remained virtually unchanged, increasing only 3 percent. Most household categories did not change much, with the exception of one group. Single-person households increased 9 percent and now comprise more than three in ten of all households. Even compared to the larger region, Pasadena has an unusually higher percentage of single-person households compared to other cities in the San Gabriel Valley and in the larger Los Angeles metropolitan area. As a result of these changes, the average household size in Pasadena dipped.

**Table 2-3: Household Type, 1990 and 2000**

Households	Number of Households		1990–2000 Change	
	1990	2000	Number	Percent
Population	131,591	133,396	1,805	1%
Group Quarters	4,479	3,518	-961	-21%
<b>Total Households</b>	<b>50,199</b>	<b>51,844</b>	<b>1,645</b>	<b>3%</b>
Married Family with Children	9,864	9,963	99	1%
Married Family, No Children	11,619	11,399	-200	-2%
Other Families	8,313	8,496	183	2%
Single-Persons	16,041	17,460	1,419	9%
All Others	4,362	4,526	164	4%
<b>Average household size</b>	<b>2.53</b>	<b>2.51</b>	–	–

Source: U.S. Census, 1990 and 2000.

Changes in the composition of households and future trends are affected by many demographic factors and therefore too complex for small area projections. However, based on the significant number of new housing units built and the tenure and type of those units, one could presume that in 2010, Pasadena could (as between 1990 and 2000) see single-person households increasing faster than all other groups combined.

## ECONOMIC CHARACTERISTICS



Housing demand is also driven by the occupations held by residents and wages earned by households, in that they affect the types and prices of housing that can be afforded. Moreover, overall employment in the City affects housing demand, because as employment levels increase in Pasadena and nearby communities, a percentage of the workforce will desire to live within Pasadena rather than commute. This section describes current patterns in employment levels by industry and occupations.

### EMPLOYMENT BY INDUSTRY

Table 2-4 presents the employment profile in Pasadena. Shown below, professional industries make up nearly one in three jobs in Pasadena, which include information, finance, insurance, scientific, technical, management, and other similar industries. At an *average* annual salary of \$90,000-plus per job, these industries clearly offer the highest-paying jobs in Pasadena. Construction and manufacturing, although offering a mere 4 percent of all industry jobs, offer the second-highest average pay at \$72,000 per job.

The middle-paying tier of industries in Pasadena pays an average annual salary of \$35,000 to \$48,000 per job. Educational and social service industries comprise the largest segment, at one in five or 20 percent of jobs, and offer approximately \$43,000 in average annual wage per job. Government employment comprises 8 percent of all jobs and pays an average of \$47,000 annually. Wholesale and retail jobs and business services command an annual salary in the mid \$30,000s. Hotel/food/accommodation and several others round out the list and pay in the \$20,000s per job on an annual basis.

**Table 2-4: Employment by Industry**

Industry Groups	Number of Jobs	Percent of Jobs	Average Annual Salary
Construction & Manufacturing	4,779	4%	\$71,727
Wholesale/Retail Trades	12,610	11%	\$35,717
Education and Social Services	21,488	20%	\$43,112
Business Services	8,667	8%	\$37,837
Professional Occupations	35,338	32%	\$90,102
Government	8,491	8%	\$47,473
Hotel, Food & Accommodations	13,389	12%	\$19,568
All Other	5,248	5%	\$27,125

Source: Employment Development Department, 2006.

According to regional transportation projections prepared by the Southern California Association of Governments, the City of Pasadena can expect increased employment, estimated at 9,000 new jobs, from 2005 through 2015. Inasmuch as a certain percentage of the new workforce in Pasadena desires to reside in the city, new employment opportunities will continue to be one source of continued demand for housing.

## HOUSEHOLD INCOME

Household income determines whether a household can afford to purchase or rent a home in Pasadena. According to the 2000 Census, the median household income in 2000 was \$46,012 for all households, with significant variations among household types. This figure is similar to the median income of households in Los Angeles County. The median income ranged from a low of \$22,000 for single parents with children to a high of \$79,000 for married couples with no children.

To provide a more accurate assessment of household income, 2000 Census figures were updated using the Consumer Price Index for the Los Angeles metropolitan region. By adjusting the Census figures for inflation, patterns in income by household type become evident, as do inferences regarding the likely ability to afford certain types of housing. This comparison also shows the relative differences in household income for different types of families and nonfamilies, and by inference their housing needs.

Table 2-5 provides an estimate of median household income adjusted for inflation. As of 2006, the income ranges from a median of \$28,000 for single parents with children to more than \$100,000 for a married family without children. These wide variations, in aggregate, illustrate the significant differences in rental and ownership housing that can be afforded. These income levels and patterns among different types of households are very similar to the American Community Survey that was produced in 2006.

**Table 2-5: Household Income, 2000 and 2006**

Household Groups	Households		Adjusted Median Income as of 2006 (CPI)
	Percent of Households	Median Income as of 2000	
All Households	100%	\$46,000	\$58,000
Married Couple	41%	\$69,000	\$87,000
With Children	19%	\$59,000	\$74,000
No Children	22%	\$79,000	\$100,000
Single-Parent Family	16%	\$30,000	\$38,000
With Children	8%	\$22,000	\$28,000
No Children	8%	\$41,000	\$52,000
Nonfamily Households	9%	\$36,000	\$45,000

Source: U.S. Census, 1990 and 2000.  
Los Angeles Metropolitan region Consumer Price Index, 2006.

As would be expected in any community, the Census Bureau shows that the median household income varies by the age of the householder. Typically, the maximum earning potential is for householders between ages 45 and 64; the least earning potential is for young adults ages 18 to 24 and for seniors older than 65 years of age. Educational levels and occupations also correlate with household income as well.

### Household Income Distribution

Another way to look at income changes is relative to the County of Los Angeles. Historically, Pasadena's income structure has nearly mirrored the County. If the percentages of Pasadena households in an income category are increasing faster than the County, Pasadena is becoming wealthier than the County or vice-versa. As defined below, the State of California has developed four income categories, adjusted for household size and County median family income (CMFI), to measure housing need:

- **Extremely Low Income.** Earning up to 30 percent of CMFI
- **Very Low Income.** Earning between 31 and 50 percent of CMFI
- **Low Income.** Earning between 51 and 80 percent of CMFI
- **Moderate.** Earning between 81 and 120 percent of CMFI
- **Above Moderate.** Earning above 120 percent of CMFI

Shown in Table 2-6, Pasadena saw significant changes in the income distribution of residents during the 1990s. Between 1990 and 2000, there was a 20 percent decline in the number of extremely low income households, 15 percent decline in low income households, and 10 percent decline in moderate income households. There was a corresponding increase in the above moderate income households. Depending on the interpolation method used, the decline in moderate income may be slightly less.

**Table 2-6: Household Income Distribution**

Income Groups (assumes 4-person household)	1990		2000		Change	
	Number of Households	Percent of Households	Number of Households	Percent of Households	Number of Households	Percent of Change
Extremely Low	7,736	15%	6,174	12%	-1,562	-20%
Very Low	6,054	12%	5,120	10%	-934	-15%
Low	6,901	14%	7,114	14%	213	3%
Moderate*	8,815	18%	7,905	15%	-910	-10%
Above Moderate	20,693	41%	25,530	49%	4,837	23%
<b>Total</b>	<b>50,409</b>	<b>100%</b>	<b>51,823</b>	<b>100%</b>	<b>1,644</b>	<b>3%</b>

Source: Comprehensive Housing Affordability Strategy (CHAS), 1990 and 2000.

\*Household numbers are based on sampling and HUD income limits and thus may vary slightly.

Several trends suggest the observed patterns will continue. More than 10,000 new and existing single-family and townhome units have been sold since year 2000 and, based on market prices, most are affordable to above moderate income households. Meanwhile, the City has created significant numbers of affordable units and many households have retired, suggesting an increase in low to moderate income residents. To the extent housing turnover is faster than the production of inclusionary units and the increase in retirees, one would expect to see a faster increase in above moderate income households.

## HOUSING CHARACTERISTICS

An adequate diversity of housing opportunities is an important goal for the City. Persons and families of different ages, types, income levels, and lifestyles each have different housing needs. A diversity of housing types and prices furthers economic and social diversity by allowing persons of different age, income, and family type the opportunity to find housing suited to their individual and family needs.

### HOUSING TYPE

Pasadena has a broad range of housing opportunities reflective of a diverse community as shown in Table 2-7. During the past seven years, there has been a significant amount of construction of single- and multiple-family housing projects. A unique feature of Pasadena's housing stock is the prevalence of condominiums, of which the City has more than 5,500 units. As mentioned earlier, households between 18 and 34 years of age provide the primary market for multiple-family housing, in particular apartments and affordable condominiums. Households with children typically form the largest market for larger single-family detached and attached homes.

**Table 2-7: Housing Composition, 2000–2008**

Housing Type	2000	2008	Change
Single-Family Homes	28,922	30,157	235
Single-Family Detached	24,785	24,875	98
Single-Family Attached	4,137	5,282	1,145
Multiple-Family Homes	25,137	27,044	1,834
Multiple-Family (2–4 units)	4,647	4,668	21
Multiple-Family (5+ units)	20,490	22,376	1,886
Mobile Homes	73	73	–0–
<b>Total</b>	<b>54,132</b>	<b>57,274</b>	<b>3,142</b>

Source: Department of Finance, 2000 and 2008.

\* Single-family attached products often appear as townhomes and similar uses.

Condominiums other than townhomes are usually counted as multi-family units.

In the past decade, developers have concentrated on building apartments and condominiums (includes single-family attached and multiple-family housing) in Pasadena, particularly along transportation corridors. Of the total housing growth from 2000 through 2007, the vast majority of units have been built within the Central District Specific Plan area. Based on the housing type and price points, developers appear to be building multiple-family housing for two broad demographic groups: (1) middle-aged baby boomers without children who desire the cultural amenities of Pasadena's urban life; and (2) single professional adults or recently married couples who desire to be "where the action is" in Pasadena. In either case, both groups tend to have greater levels of disposable income for housing, yet there is significant unmet demand in other groups.

## HOUSING TENURE AND VACANCY



A broad mix of ownership and rental opportunities provides residents of all income levels housing which is affordable and suited to their needs. For younger adults, rental housing may provide an opportunity to accumulate wealth to buy a home. Homeownership enhances well-being and financial security, helps accumulate wealth, and strengthens neighborhoods, because residents with a greater stake in the community will be more active and empowered in decisions affecting the future of the community.

The 2000 Census reports that 54 percent of households in Pasadena rent housing (28,119) and 46 percent (23,725) own homes. The distribution of renters to owners is not unlike large municipalities throughout the Los Angeles region. Despite the high level of housing production over the last decade, particularly apartments, the distribution of renters and owners did not markedly change. Relatively large changes in the type of housing built must occur relative to the total number of housing units to result in a change in the relative proportion of renters to homeowners. However, the decline in the housing market has led to increased foreclosures.

The housing vacancy rate is generally used as a measure of how well the supply of available housing meets the demand for different types of housing. Typically, vacancy rates of 5 to 6 percent for rental units and 1.5 to 2 percent for ownership housing are needed or determined as optimal. With these vacancy rates, residents have a variety of housing choices at different prices while developers still have an incentive to build new housing. Historically, lower than optimal vacancy rates and pent-up demand for housing have driven up home prices and apartment rents over the past seven years.

The 2000 Census reported a vacancy rate of 2.0 percent with some variation for rental and ownership units. Since then, the Census has not issued an updated survey. However, according to the U.S. Postal Service, the vacancy rate in 2008 was 1.3 percent for all residential units. It should be noted that the U.S. Postal Survey is not necessarily comparable in methodology to the U.S. Census and may be refined over time as better data becomes available. Nonetheless, low vacancy rates suggest an unmet demand for all types of housing and a pressure on rents and sales price that will continue, even with the deflationary pressures on the overall housing market affecting most communities today.

**Table 2-8: Housing Tenure, 2000**

Tenure	Owned	Rented
Number of Units	28,922	30,157
Percent by Tenure	46%	54%
Vacant Units	325	826
Vacancy Rate	1.4%	2.9%
<b>Total Units</b>	<b>54,132</b>	<b>57,274</b>

Source: U.S. Census Bureau, 2000.

## HOUSING PRICES AND AFFORDABILITY

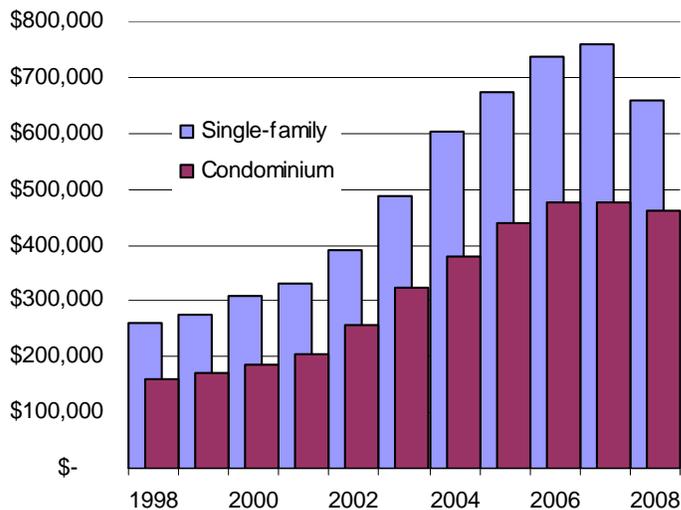
Like much of Southern California, the City of Pasadena has seen significant rises in property values throughout the community. Pent-up demand for housing, historically low interest rates, and creative mortgage packages have led to easy credit and unprecedented escalation of housing prices in the State of California. This pressure has been acutely felt in Pasadena, where the City is greatly sought after for its job base, location, housing quality, and level of amenities.

### Housing Prices and Rents

Much like the entire San Gabriel Valley, housing prices in the City of Pasadena have soared since 1998; the median sales price of housing has more than tripled in nominal dollars. Shown in Chart 2-2, the median price single-family home increased from \$261,500 to the mid \$600,000s and the median sales price of condominiums has increased from \$160,000 in 1998 to \$475,000 by 2007. With the economic recession, the median sales price fell 11 percent for single-family units from June 2007 to June 2008. Condominiums are holding their value, having only declined by a mere 3 percent.



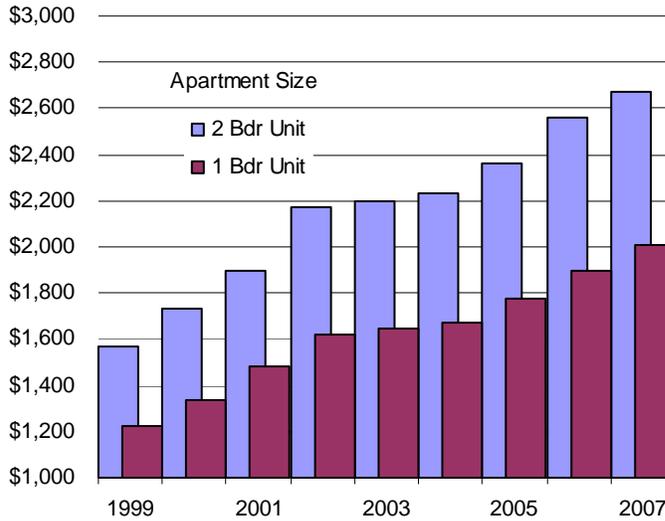
*Lincoln Townhomes offers eight affordable ownership units to low and moderate income households*



**Chart 2-2 Pasadena Home Prices, 1998–2008**

Given the geographic and income diversity in Pasadena, however, housing prices vary significantly by area of the community. For instance the highest average prices for single-family homes and condominiums are found in the Arroyo (both North and South) and the South and Southeast sectors in Pasadena with median homes topping \$1 million. The lowest average home prices are found in North Central, West Central and South, and mid Central and Southeast. However, home still top the \$500,000 mark in most neighborhoods. The variation in housing prices can be quite significant in Pasadena and present challenges for most households seeking to purchase housing.

Since 1999, Pasadena has also seen a significant increase in apartment rents. According to REALFACTS, the average rent has increased by 64 percent since 1999, or 8 percent annually (Chart 2-3). The high demand for rental apartment housing coupled with generally low vacancy rates—despite rapid housing production—have led to a situation where rents are increasing at a rapid pace. Even in more affordable areas in Pasadena (e.g., Northwest) or for individual buildings with more modest amenities, the median rents for apartments are increasing significantly faster than inflation.



**Chart 2-3 Pasadena Apartment Rents, 1999–2007**

Summarized in Table 2-9, apartment rents vary significantly by area and unit size. average rents range from \$1,200 in East Pasadena to \$1,400 in Northwest Pasadena to \$1,700 in Southwest Pasadena. Regardless of location, however, the rents for three-bedroom apartments are significantly higher due to the shortage of large units. The significantly higher rents for three bedroom units are not surprising since, according to REALFACTS, less than 1 percent of the units surveyed are three-bedroom units.

**Table 2-9: Pasadena Rents 2006**

Size of Apartment	Average Rent	Geographic Area		
		Northwest	East	Southwest
Studio	\$1,192	\$902	N/A	\$1,322
1-Bedroom	\$1,271	\$1,102	\$1,163	\$1,363
2-Bedroom	\$1,633	\$1,413	\$1,478	\$1,889
3-Bedroom	\$2,208	\$2,228	N/A	\$2,163
Average	\$1,576	\$1,411	\$1,201	\$1,687

Source: Westnap, 2006.

## Housing Affordability

Housing affordability is directly related to the ability of the City to maintain a socially and economically diverse community. Determining housing affordability is generally measured by comparing average income levels to apartment rents and housing prices. However, a precise calculation of housing affordability must also take into account a family's household size, income levels, size of unit, utility allowance, and other factors. Rather than arrive at precise calculations, this section provides an overview of the housing choices available for residents of different income levels.

Given the high price of single-family and townhome products, fewer and fewer first-time home buyers can afford to purchase a home in Pasadena. Assuming conservative standards for an FHA loan (e.g., 5 percent down, 30-year loan at 6 percent interest), a household must earn above \$100,000 annually to afford to buy a condominium. To afford a lower priced single-family home at \$500,000, a household would need to earn approximately \$135,000 annually. This annual income amount exceeds the income limits for moderate income and workforce income households.

Table 2-10 compares the maximum rent amount that could be paid by a household of a particular income group compared to the average rent charged for an apartment. This comparison reveals several key conclusions. First, the average rent for apartments is beyond the amount that can be afforded by lower income (e.g., very low, low, and extremely low) households. Lower income households must severely overpay or double up to afford housing. Lower income households could only afford apartments with deed-restricted units or where property owners accept Housing Choice Vouchers.

Moderate income households have a greater ability to afford rental apartments in Pasadena, and can afford studio, one-bedroom, and two-bedroom units. However, there are two exceptions. Three-bedroom units would be clearly unaffordable to moderate income households due in part to the short supply and high cost of these units. New apartment projects charge higher rents than the average, so moderate income households would likely have difficulty affording two-bedroom units in new projects.

**Table 2-10: Affordability of Rentals in Pasadena, 2008**

Bedrooms	Maximum Affordable Rent for Different Income Levels				Average Rent
	Very Low	Low	Moderate	Workforce	
0	\$524	\$838	\$1,257	2,079	\$1,192
1	\$598	\$956	\$1,434	2,373	\$1,271
2	\$745	\$1,076	\$1,614	2,672	\$1,633
3	\$748	\$1,196	\$1,794	2,966	\$2,208

Source: City of Pasadena, Rent Surveys and Inclusionary Income and Affordability Thresholds.

Note: This chart is intended for illustrative purposes only. Housing affordability must also take into consideration household size, utilities, and other factors beyond the parameters of this chart.

## HOUSING PROBLEMS

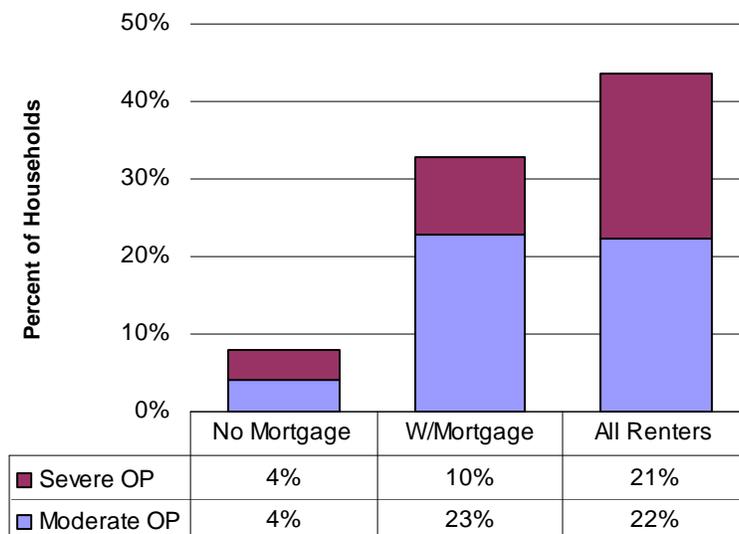
A continuing priority of communities is enhancing or maintaining quality of life for residents. A key measure of quality of life in Pasadena is the extent of “housing problems.” The Department of Housing and Urban Development assesses housing need within a city according to two criteria: the number of households that are paying too much for housing and the number of households living in overcrowded units.



### Housing Overpayment

Housing overpayment is an important issue for Pasadena residents. According to the federal government, any housing condition where a household spends more than 30 percent of income on housing is considered overpayment. A cost burden of 30 to 50 percent is considered moderate overpayment; payment in excess of 50 percent of income is considered severe overpayment. Overpaying is an important housing issue because paying too much for housing leaves less money available for emergency expenditures. With the high prices of housing, an increasing number of households are overpaying.

Chart 2-4 shows overpayment rates by mortgage status. Only 8 percent of homeowners without a mortgage (596 households) overpay for housing. Many of those with no mortgage are seniors. For households with a mortgage, 33 percent or 11,428 households overpay for housing. This rate is not surprising given the high costs of housing. Approximately 43 percent of renters (11,553 households) overpay for housing, with half of all renters severely overpaying for rental housing. Typically, severe overpayment is greatest among seniors, lower income households, and large renter families. Later sections of this chapter describe the housing problems of lower income households.



**Chart 2-4 Household Overcrowding in Pasadena, 2000**

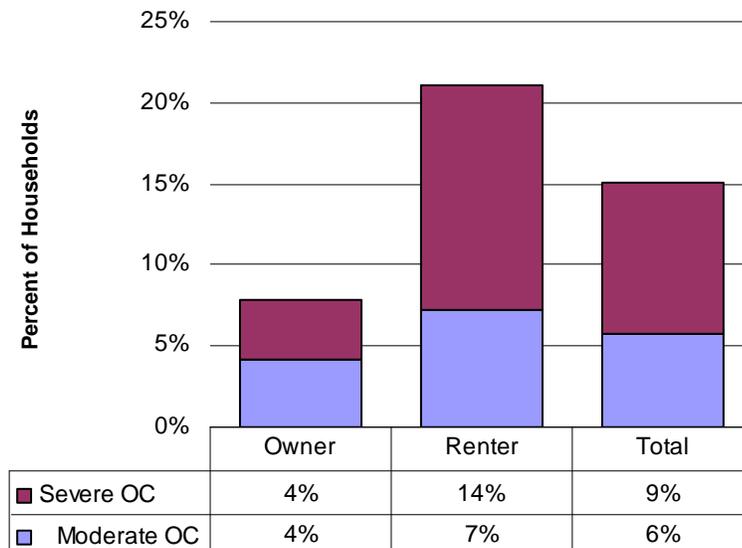
### Housing Overcrowding



Some households may not be able to accommodate or afford higher cost burdens for housing, but may instead accept smaller housing or reside with other individuals or families in the same home. This choice could result in housing overcrowding, where there are too many members of a household living in a housing unit. Overcrowding is a serious housing problem in that it can strain physical facilities and the delivery of public services, reduce the quality of the physical environment, contribute to a shortage of on-street parking, increase traffic volumes, and accelerate the deterioration of homes.

According to the Census Bureau, “overcrowding” occurs when a household has more members than habitable rooms in a home (e.g., a three-person family may live in an apartment with a bedroom and a living room and be considered “overcrowded”). Moderate overcrowding refers to 1.0 to 1.5 persons per habitable room and severe overcrowding occurs when a home has 1.5 or more occupants per habitable room. Household overcrowding is reflective of various living situations: 1) a family lives in too small a home; 2) a family chooses to house extended family members; or 3) unrelated individuals or families are doubling up to afford housing.

During the 1990s, the prevalence of overcrowding increased slightly in Pasadena, from 13 percent in 1990 to 15 percent in 2000. For 2000, approximately 8 percent of homeowners (or 1,868 households) and 21 percent of renter households (or 5,945 households) lived in overcrowded housing (Chart 2-5). Taken together, a larger percentage of overcrowding was severe rather than moderate. Although the numbers are high, the levels of overcrowding in Pasadena are generally low for a larger metropolitan region and are significantly less than for many other cities in the San Gabriel Valley.



**Chart 2-5 Household Overcrowding in Pasadena, 2000**

### Lower Income Households

Although the federal and state governments monitor the number of households overpaying or living in overcrowded conditions in a community, the highest priority are those households earning extremely low, very low, and low incomes. This is defined by the federal government as households earning no more than 80 percent of median family income. According to the Census Bureau, the City had 6,174 households earning extremely low income (12 percent of households), 5,120 very low income households (10 percent), and 7,114 low income households (14 percent).

Table 2-11 displays the prevalence of housing problems among the lower income households in Pasadena. In short, lower income households in Pasadena are generally three times more likely to experience overpayment, overcrowding, or substandard housing conditions than non-low-income households in Pasadena. Seniors tend to make up the majority of extremely low income households in Pasadena.

**Table 2-11: Housing Problems of Low Income Households**

Low Income Category	Total Households	Housing Problems by Tenure	
		Owners	Renters
Extremely Low Income	6,174	79%	74%
Very Low Income	5,120	76%	89%
Low Income	7,114	65%	75%
All lower income	18,408	72%	79%
Above Low Income	19,310	28%	24%
<b>Total</b>	<b>51,820</b>	<b>36%</b>	<b>52%</b>

Source: Comprehensive Housing Affordability Strategy, 2000.

Changes to state law now require communities to estimate the amount of new housing that is needed to accommodate extremely low income households as a subset of the very low income population. As there is no universally accepted methodology for estimating new construction needs for extremely low income households, state law allows cities to make an estimate as follows: According to the City's 2006–2014 RHNA, the need for new housing is approximately 973 new housing units. Based on the current percentage of extremely low income to very low income households (55 percent), the total need for housing affordable to extremely low income households is approximately 389 new units.

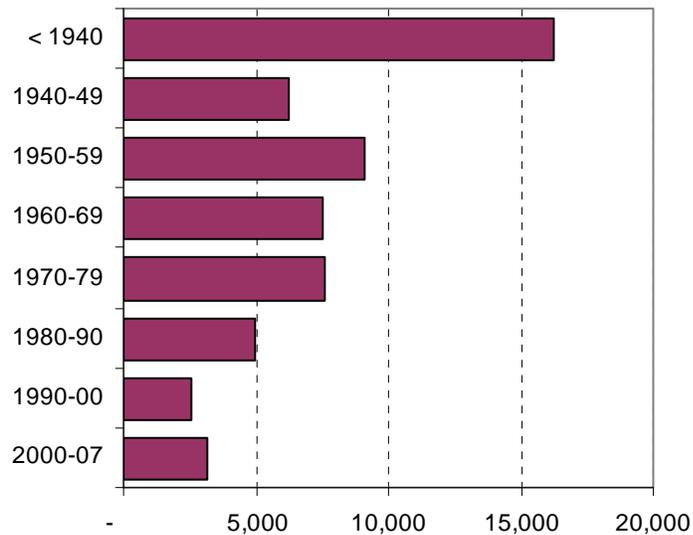
However, beyond the need for new housing, the extremely low income population in Pasadena also requires a number of supportive services. This may entail housing assistance in the form of Housing Vouchers (for renters), rehabilitation assistance (for homeowners), employment services for the underemployed or unemployed, or a range of other supportive services such as child care, medical care, and other assistance. The extremely low income population in Pasadena is also the most likely to be at risk of homelessness in the event of a major life event, such as job loss, medical expense, etc.

## HOUSING AGE

Maintaining the quality of housing and neighborhoods is a fundamental goal; sound housing not only improves the lives of occupants, but also improves and maintains property values and creates a desirable neighborhood environment. Pasadena has an older housing stock: more than two-third of its housing is older than 30 years and one-half of its housing is older than 50 years as illustrated below in Chart 2-6. Residential structures older than 30 years typically have preventive maintenance needs, while housing older than 50 years has rehabilitation needs.



Despite its older housing stock, much of the housing in Pasadena is in good condition, reflecting the City’s established support for older neighborhoods. City staff inspects more than 6,000 units annually through its Occupancy Inspection Program (ownership units) and Quadrennial Inspection Program (rental units). These programs have been credited with helping to ensure that Pasadena’s single- and multiple-family housing and properties are adequately maintained and repaired.



**Chart 2-6 Pasadena, Housing Built by Decade**

In certain areas of Pasadena, isolated structures are in need for repair. The Census Bureau recorded the following that suggest substandard housing: (1) incomplete plumbing, 407 units; (2) incomplete kitchen, 565 units; (3) no/incomplete sewer, 249 units; and (4) no vented heating, 535 units. Although these statistics do not necessarily indicate the presence of substandard homes, the City files and records a “Substandard” filing on 10 to 20 properties each year with the County of Los Angeles. These homes typically have multiple property maintenance and building code violations.

## NEIGHBORHOOD REVITALIZATION



The City of Pasadena is fortunate to have high-quality residential neighborhoods that provide an excellent standard of living for the majority of its residents. However, certain older or more distressed areas of the community require significant investments. One such area is the Northwest Pasadena area, which covers one-quarter of the land area, and is bounded by Interstate 210 and Lake Avenue. Approximately 50,000 residents or one-third of the City's population lives in this area. Although portions of this area are being revitalized, issues of housing conditions and public safety remain.

To address these issues the City of Pasadena has established the following menu of revitalization programs within Northwest Pasadena.

### Enterprise Zone

The Pasadena Enterprise Zone, established in 1992, was designed to administer and implement specific economic development goals and objectives to stimulate business and employment growth in northwest Pasadena and create jobs for residents. The Enterprise Zone seeks to increase the economic and social vitality of the area by stimulating private and governmental investment in business and industrial development. Specific goals are: (1) retention and expansion of existing businesses; (2) relocation of businesses to the zone; and (3) creation of job opportunities for the unemployed and underemployed. In 2007, the new Pasadena Enterprise Zone is significantly larger and covers both commercial and industrial zoned land within the City of Pasadena. This designation and its incentives apply until April 10, 2022.

### Redevelopment Project Areas

Five redevelopment project areas are located within Northwest Pasadena. These project areas have been established to provide a mechanism for removing blight and stimulating housing and economic development in neighborhoods. Through this designation, the City can collect and direct tax increment funds to housing and community development activities. Current redevelopment project areas in Northwest Pasadena are as follows: Villa Park, Lake/Washington, Fair Oaks, Lincoln Avenue, and Orange Grove. Several other redevelopment project areas have been established within the Central District and other business districts to preserve neighborhoods and eliminate blighting influences.

### Neighborhood Revitalization Areas

The City of Pasadena formed several neighborhood revitalization areas in the 1990s and 2000s to address blighting conditions affecting specific areas of the community. Under this program, the City focuses a wide range of City programs and services into one neighborhood to address systemic issues affecting quality of life. Services include housing inspection, property maintenance, traffic safety, crime abatement, and graffiti removal. The program seeks to empower residents to improve and sustain their neighborhoods. During the 1990s, the program targeted four areas: the Lincoln Triangle, Villa Parke, North Madison; and the Lake/Washington neighborhoods.

## SPECIAL HOUSING NEEDS



Certain households in Pasadena have greater difficulty finding decent, affordable housing due to their special circumstances. Special circumstances typically relate to one's income-earning potential, family characteristics, physical or mental disabilities, age-related health issues, homelessness, and other factors that make it more difficult to secure and maintain housing. These groups often have lower incomes and higher rates of overpayment or overcrowding. As a result, these household groups are considered to have special housing needs relative to the general population.

State Housing Element law defines "special needs" groups narrowly to include senior households, disabled persons, large households, female-headed households, farmworkers, and people who are homeless. Due to their numbers in Pasadena, college students are also considered to have special housing needs. Moreover, due to the large number of homeless children and youth in relation to available housing, at-risk youth are also considered a special needs group. In keeping with state law and the City's priority to build an inclusive community, this section provides a summary of needs for each group and the availability of resources to address their needs.

Table 2-12 shows the magnitude and proportion of special needs groups in Pasadena. Following this section summarizes the housing needs of these groups in Pasadena as the basis for policies and programs contained in the Housing Plan.

**Table 2-12: Special Needs Groups in Pasadena**

Household/Individuals	Number of Households or Persons	Proportion in City
Large Families (five or more members)	6,236	12%
Single Parents with Children	4,093	8%
Senior Households (ages 65 and older)	9,914	19%
Students attending college	35,000	26%
People with Physical Disability age 16+	23,050	22%
Homeless People	969	<1%
At-Risk Children and Youth	N/A	N/A

Source: U.S. Census Bureau, 2000 unless otherwise noted.

Notes:

1. Large households refer to family with five or more members.
2. Single parents with children refer to an adult with related children living at home.
3. Seniors households have a householder 65 years or older.
4. Enrollment estimates of Pasadena colleges and universities.
5. Disabled persons refers to persons 16 years or older.
6. City of Pasadena, Homeless Census, 2009.

## FAMILIES WITH CHILDREN

The City of Pasadena is committed to providing a nurturing environment for families, children, and youth as codified in the City's Policy on Children, Youth, and Families. This policy was revised and affirmed in 2007. This statement identifies six key areas to be pursued to improve the health and wellbeing of children, youth, and families in Pasadena—good health, safety and survival, economic wellbeing, social and emotional wellbeing, education, and information and access to services. Providing housing and services are an essential component of furthering the spirit of this policy.

In recent years, concern has arisen that many younger families with children, particularly those with moderate incomes, are having difficulty finding affordable housing. In fact, reflecting the smaller numbers of Generation X and age of Generation Y, the 2000 Census reports little increase in families with children, but significant increases in single-person households. Because of the price and supply of suitable housing, many family households may locate in communities with lower housing prices.

The City was home to an estimated 14,058 families with children as of 2000. Of that total, 6,236 were large families with five or more members and 4,093 were single-parent families with children, and the remainder were other families. Although families have a diversity of housing and support service needs, some of the more common themes are:

- **Limited Income.** According to the 2000 Census, the poverty rate was 35 percent for female-headed families with dependent children, which is three times the rate for family households. In addition, 55 percent of large families earned low to moderate incomes.
- **Childcare Expenses.** According to the 2000 Census, the average single-parent household spends 12 percent to 25 percent of annual income for day care for preschool childcare. This leaves less income available to pay for housing, medical care, and other life expenses.
- **Housing Problems.** Because of the shortage of affordable housing, particularly large rental units for households with five or more members, 52 percent of larger renter families overpaid for housing and 79 percent of large renter families lived in overcrowded conditions.

Addressing the housing and supportive service needs of families with children in Pasadena requires a diverse strategy. On the one hand, it is important to increase the supply of affordable housing that is larger enough to accommodate families of different sizes. For others, improving access to or the affordability of supportive services are important to enable families to live more independently. Assisting households meet their housing expenses can be a productive approach to assisting families in securing and maintaining suitable housing as they can divert more income toward housing.

## Housing Supply

Providing sufficient and affordable housing for lower income families with children is an important goal in Pasadena. The rising cost of single-family housing has made housing unaffordable to new homebuyers. Moreover, the real estate escalation has made it increasingly difficult for the City to offer subsidies sufficient to bridge the gap between what households can afford and market sales prices. Meanwhile, rental prices have continued to increase in line with demand and revitalization efforts in the city.

The City recognizes the importance of addressing the needs of families and has adopted a policy statement on youth, children, and families. Adopted by City Council, a key objective of this policy is to increase the supply of adequate and affordable housing, particularly for families with children. The City of Pasadena presently provides for a variety of housing options for families. These include:

- **Affordable Apartments.** According to City records, Pasadena has more than a dozen affordable apartment projects providing approximately 900 units of housing affordable to lower income families. Most of the projects are affordable to very low income families.
- **Townhomes/Single-family homes.** Although fewer in number, the City has supported the construction of townhomes and rehabilitation of ownership units for families in Pasadena, including 200 homeownership loans to families. The units are deed restricted to low and moderate income households.
- **Inclusionary Units.** It is important to note that a substantial number of inclusionary units have been created for families which are not deed restricted for families but still may be affordable in today's market. Most of these units are generally located in the northwest planning area of the community.

Pasadena also provides many other services to families and youth. As detailed in the Consolidated Plan, Pasadena provides rental assistance, childcare, recreational programs, employment training, education, transportation, public health, and other services on a daily basis. Although not directly related to housing, these services are essential to families, particularly those earning lower incomes. Table 2-13 summarizes the affordable housing available for Pasadena families.

**Table 2-13: Affordable Family Housing in Pasadena**

Type of Housing	Total Units	Units by Affordability Levels		
		Very Low	Low	Moderate
Single-Family Homes	200	–	100	100
Apartments	899	899		0
<b>Total</b>	<b>1,099</b>	<b>999</b>		<b>100</b>

Source: City of Pasadena, 2008.

## SENIORS

Pasadena’s senior population totaled 16,222 people or 9,914 households according to the 2000 Census. Senior households are defined as having a householder who is 65 years or older. Senior citizens are considered a special needs group, because their limited income, higher health costs, and physical disabilities make it more difficult to find suitable and affordable housing. Concurrent with trends throughout the nation, this population is expected to continue increasing as the baby boom generation approaches retirement.

Although often viewed as homogeneous, Pasadena’s senior population is quite diverse and this diversity is reflected in tenure, age, income, and housing needs. In Pasadena, 64 percent of senior households (or 6,387) own a home and 36 percent (or 3,527) rent housing. Many of the senior renters are using Section 8 vouchers. Among seniors, approximately half are ages 65–74 and the remainder are older than 75 years. Each group requires a different strategy to address health, transportation, and housing needs.

Overall, some of the more pressing senior issues are:

- **Disabilities.** Seniors have a higher prevalence of disabilities than other age groups; about 30 percent of seniors have a self-care/mobility limitation that makes it difficult to go outside or take care of personal needs. This underscores the importance of housing that is accessible to those with disabilities.
- **Limited Income.** Approximately 70 percent of Pasadena’s senior renter households and 32 percent of senior homeowners earn low income, which makes them more susceptible to increases in rental housing costs including overpayment and greater difficulty in having income for other expenses.
- **Overpayment.** More than 50 percent of senior renters and 30 percent of senior homeowners overpay for housing; the prevalence and severity of overpayment is much higher among lower income seniors. This underscores the importance of providing additional affordable housing options.

Providing appropriate housing for seniors has become an increasingly important issue for many communities. In past years, the baby boomer generation provided the impetus and majority of demand for single-family housing. However, as this group ages and approaches retirement or elderly years, many communities will see an increased demand for all types of senior housing, from independent age-restricted housing for more active lifestyles to assisted living settings for those requiring more supportive services.

In addition to housing, an appropriate mix of affordable support services provided locally can benefit seniors living in Pasadena. Support services are essential in facilitating the ability of seniors (and any household) to live as independently as possible without having to change their residences. Services can include transportation, health care, home maintenance assistance, low cost loans or grants to rehabilitate homes, referral services, and many other services that can improve the lives of seniors.



*Rose Court and Green Street  
Hotel Senior Housing*

## Housing Supply

Many Pasadena seniors reside in conventional single-family homes or condominiums. The City recognizes the goal of providing services to enable seniors to “age in place,” that is, to maintain their current residences for as long as possible. The Senior Center provides a house-sharing program where seniors can find housemates to help provide companionship or share housing costs. The City’s MASH program provides grants to low income senior homeowners who are less able to perform maintenance on their owner-occupied, single-family homes.

Beyond conventional housing, however, the City of Pasadena also provides for a variety of housing options that are age restricted for seniors. These include:

- **Age-Restricted Apartments.** According to City records, Pasadena has a total of 12 deed-restricted affordable apartment projects that providing more than 900 units of housing affordable to lower income seniors. Several additional projects for seniors are in the planning stage.
- **Age-Restricted Condominiums.** In recent years, there has been an increase in the number of age-restricted senior condominiums that are standalone projects or within age-restricted life care facilities. However, since the vast majority of these uses are market rate, they are not included below.
- **Assisted Living Facilities.** These facilities provide a variety of living arrangements, from independent to more supportive settings for residents who require care on an extended basis. There are 26 facilities providing more than 1,550 beds in Pasadena, with many of them expanding.

The City also provides a broad array of support services to assist seniors in living independent lives. Free transit service is available to residents on Pasadena ARTS bus. The Senior Center also provides a clearinghouse of information on other support services available to seniors to meet their housing and lifestyle needs. Lastly, the Pasadena Senior Commission is an appointed commission that plays an active role in defining needs and making recommendations to address any gaps in senior services.

Table 2-14 summarizes the varied housing opportunities (number of projects, units, and affordability levels) that are available for seniors residing in Pasadena.

**Table 2-14: Senior Housing in Pasadena**

Type of Housing	Projects	Units by Affordability Levels			
		Lower	Mod.	Above	Total
Age-Restricted Affordable Apartments	12	899	–	–	899
Age-Restricted Condominiums	N/A	N/A	N/A	N/A	N/A
Assisted Living Facilities	26	–	–	1,551	1,551
<b>Total</b>	<b>38</b>	899 units		1,551 Beds	

Source: City of Pasadena, 2008.

## COLLEGE STUDENTS

Pasadena is renowned for its strong educational institutions. The City of Pasadena is home to four major colleges: Pasadena City College, Fuller Theological Seminary, Art Center College of Design, and the California Institute of Technology. According to school enrollment figures, these institutions have collective enrollments of 35,000. Numerous smaller private schools and colleges, including many prominent private secondary schools for children and youth, are also located throughout the community. Moreover, Pasadena Unified School District is one of the largest employers in the City. Because educational institutions in Pasadena play an important role in the history, economy, and community life of the City, it is important to ensure that the significant housing needs of current and future students, faculty, and employees are addressed.



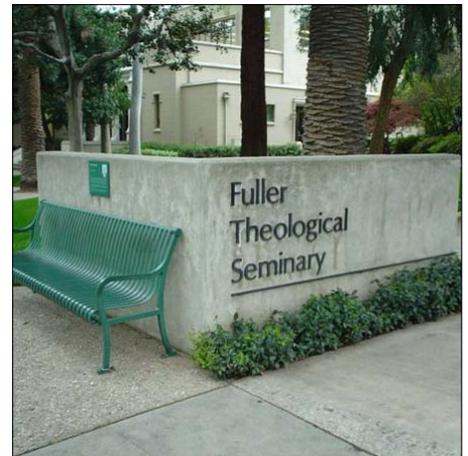
### Pasadena City College

Pasadena City College (PCC) is a two-year institution for transfer to four-year colleges. PCC enrolls approximately 27,000 students and anticipates increasing enrollment to approximately 34,300 students by 2010. In keeping with the mission of community colleges throughout California, PCC does not provide student housing nor will it in the future. However, because a significant number of PCC students live in Pasadena, it impacts the availability of rental housing for residents, particularly around the college. Faculty members, although smaller in number, may seek homeownership opportunities in Pasadena or adjacent cities.



### Fuller Seminary

Fuller Theological Seminary is one of the largest interdenominational seminaries in the country. It has a current enrollment of 1,700 students and is anticipating a maximum enrollment of 2,014 students by 2019. Fuller updated its Master Plan in 2006 to accommodate future expansion plans. Pursuant to its approved Master Development Plan, Fuller Seminary will increase its housing stock by 514 apartment units and renovate a 92-unit apartment. Since 2006, Fuller Seminary has built a 179-unit apartment project for families and anticipates 335 more units by 2019.



### California Institute of Technology

Founded in 1889, the California Institute of Technology (Caltech) is one of the foremost institutes of higher education in the nation. Its 124-acre campus enrolls a total of 2,200 students. Caltech currently provides housing for 95 percent of its undergraduate students and 50 percent of its graduate students in either on-campus housing or university-owned off-campus housing. Caltech updated its Master Development Plan (MDP) in 2006. The MDP allows new academic and administrative facilities, with the majority constructed between the existing campus and Del Mar. Caltech also proposes to replace several student housing facilities within the 2006–2014 planning period. However, no net increase in housing is being proposed during the planning period.

### Art Center College of Design

Founded in 1930, the Art Center College of Design has two campuses in Pasadena with an enrollment of 1,500 students. In 2005, the Art Center updated its Master Development Plan with long range plans to add student housing.

Student housing needs vary depending on whether the student lives at home, commutes from outside the City, or seeks rental housing in Pasadena. Those living in Pasadena create a heightened demand for apartments and rentals around local colleges and influence the rental market. The exceptionally large number of educational institutions in Pasadena also creates a demand for affordable housing for faculty members. The City of Pasadena encourages the construction of housing that serves students and faculty. These types of housing are allowed by right use in the RM-32, RM-48, and CL zoning districts and allowed conditionally in the PS zoning district. Recent code amendments now allow for student housing along Arroyo Parkway for Art Center.

Table 2-15 summarizes the current and planned enrollment of each of the major educational institutions in Pasadena and their respective housing stock.

**Table 2-15: Student Housing in Pasadena**

Educational Institution	Estimated Enrollment		Housing Stock	
	Current in 2008	Planned by 2014	Existing Units as of 2008	Planned Units by 2014/2015
Fuller Seminary	1,700	2,014	615 units	615 units
Caltech	2,200	2,300	527 units	527 units
Pasadena City College	27,000	N/A	None	None
Art Center College	1,400	N/A	None	None

Sources:

Caltech Master Development Plan

Fuller Theological Seminary Master Development Plan

Art Center College of Design Master Development Plan

## PEOPLE WITH DISABILITIES

Pasadena has a significant population of people with mental, physical, and developmental disabilities that substantially limit major life activities. People with disabilities have special needs in that many earn very low incomes, have higher health costs, and are often dependent on supportive services. People with disabilities also may face discrimination in the housing market, because landlords may be concerned about how a disability is perceived by other tenants, the disabled person's income and ability to afford housing, or how the housing unit will be maintained.

Disabilities fall within several categories:

- **Developmental.** According to the Lanterman Regional Center, Pasadena has 846 residents with developmental disabilities such as cerebral palsy, autism, mental retardation, and epilepsy. Of this total, 378 live with a parent or guardian, 339 reside in a community care facility, and the rest live in a home.
- **Physical Disability.** Physical disabilities are the most common among the disabled population. According to the 2000 Census, the City has 23,050 persons older than 16 who have a disability and who live in a noninstitutional setting. Of that total, approximately 25 percent is older than 65 years of age.
- **Other Disabilities.** Pasadena has a sizable population of persons with other disabilities, including mental illness, persons recovering from substance abuse, and persons with miscellaneous physical ailments that are not developmental or physical in nature. No precise estimate is available for this group.

The needs of people with disabilities exhibit a wide range of complexities and subtleties. For those with physical disabilities, facilitating the reconfiguration of existing housing units through loan programs may be necessary to allow renters or homeowners to age in place and live the fullest independent lives without the need to move to housing that is more suitable for their physical disability. Implementing a progressive reasonable accommodation ordinance can further the above goal.

Ensuring fair and equal housing opportunity under state and federal fair housing laws is also important for people with disabilities. According to the Housing Rights Center, fair housing complaints from people with disabilities represent the largest percentage of complaints received in recent years. The recent surge in complaints appears to be due to a greater awareness of existing fair housing laws and focus by the courts on ensuring that cities affirmatively address the housing needs of people with disabilities.

Meeting the full range of housing and supportive service needs for people with disabilities requires a comprehensive strategy that focuses on facilitating independent living through in-home modifications, providing suitable housing through land use and zoning practices, facilitating and/or financing a range of supportive services, and implementing and enforcing existing state and federal fair housing law.

### Housing Supply

Presently, the City enforces all state and federal laws requiring accessibility standards in existing multiple-family projects. For projects using federal funds, federal law requires that a certain percentage of the housing units be set aside for people with physical, visual, and mobility impairments. The City currently does not impose additional building requirements (e.g., visitability, universal design, etc.) to existing or new housing beyond the requirements of state and federal accessibility laws. However, the City does implement a far-reaching reasonable accommodation ordinance.



*Casa de Maria Supportive Housing Project*

Persons with special needs, such as those with disabilities, require appropriate housing. Licensed community care facilities, rehabilitation facilities, skilled nursing homes, and other types of facilities provide a supportive housing environment suitable for persons with special needs. The City has facilitated the construction of several facilities for people with disabilities in the past planning period, including the Wynn House, Navarro House, Casa de Maria, Pasadena Accessible Apartments, and others.

The following are the major housing options available for people requiring semi-independent housing. Table 2-16 shows the number, type and capacity of housing facilities that serve people with disabilities in Pasadena.



*Pasadena Accessible Apartments*

- **Community Care Facilities (CCF).** According to the State Department of Social Services, 95 licensed community care facilities provide specialized nonmedical care to over 2,600 persons in Pasadena.
- **Alcohol and Other Drug Rehabilitation (AOD).** The City permits residential rehabilitation facilities for persons suffering from acute addictions, and sober living homes for those completing rehabilitation.
- **Skilled Nursing Facilities (SNF).** These facilities provide skilled nursing and supportive care to patients who require care on an extended basis, primarily older adults and persons with developmental disabilities.

**Table 2-16: Housing for Disabled People in Pasadena**

Clientele	Description	Type	Number of Homes	Beds
Youth	Family Home	CCF	3	16
	Group Home	CCF	15	90
	Transition Homes	—	0	0
Adults	Rehabilitation	AOD	11	640
	Sober Living	AOD	9	132
	Adult Residential	CCF	43	599
Elderly	Elderly Residential	CCF	26	1,551
	Adult Day Care	CCF	8	351
	Skilled Nursing	SNF	16	1,224

Source: State Department of Social Services, 2009.

## PEOPLE WHO ARE HOMELESS

Pasadena has a significant number of individuals and families who are homeless. The needs of families and individuals who are homeless are varied. They may lack the employment and credit history necessary to be considered a candidate for permanent housing. Untreated and severe medical conditions may also preclude obtaining steady jobs. Even if a homeless person successfully completes a transitional housing program, some landlords may be unwilling to rent to someone who was formerly homeless.

In 2007 the City conducted a one-night survey and found that 969 people were homeless on any given day. This total is the third consecutive year the number of homeless people has declined in Pasadena. Men outnumbered women two to one. With respect to age, 20 percent of homeless people were children, 3 percent were youth ages 18–24, and 8 percent were seniors. With respect to marital status, more than 90 percent of adults were single. This survey showed that Whites comprised the largest percentage (38%), followed by African Americans (29%), Hispanic or Latinos (23%), and others (10%).

People who are homeless have a higher severity and prevalence of health needs. According to biennial surveys in Pasadena, conditions reported are as follows:

- **Mental Illness.** In Pasadena, approximately 53 percent of homeless people reported a substance abuse problem and 35 percent have been diagnosed with a mental or emotional health problems. In some cases, ongoing medication and treatment are necessary until the underlying condition is stabilized.
- **Physical Illness/Disability.** Approximately 30 percent of homeless people surveyed reported a developmental disability that impairs such activities as walking, eating, breathing, reading, etc. These conditions would also affect the ability to secure and maintain employment.
- **Life Experiences.** People who are homeless have significant negative life experiences that are associated with their homelessness. For instance, 10 percent of homeless people surveyed were veterans, 25 percent experienced abuse as children, and 10 percent lived in foster care.

Many of the people who are homeless in Pasadena are also permanent residents of the City, and at least half of them are considered chronically homeless. The health findings noted above may also explain the economic status of homeless people. According to the survey, only 15 percent of homeless people have a part- or full-time job, while the majority receives Food Stamps, Medi-Cal, and General Relief.

Taken together, addressing the needs of people who are homeless is a complex issue, requiring a multifaceted approach to identifying needs and solutions. In response to these concerns, Pasadena has developed a comprehensive Continuum of Care Program. In 2006, the City also adopted a “10-Year Strategy to End Homelessness,” which provides detail on the range of programs and services provided to not only end homelessness, but also to prevent people from becoming homeless.

### Housing Supply

Pasadena’s comprehensive continuum of care approach is predicated on the understanding that homelessness is caused by a complex range of underlying physical, economic, and social needs. People who are homeless require a range of services to reenter mainstream society and secure a home. For persons entering the City’s Continuum of care, they are first assessed at Passageways, the City’s designated intake and counseling center on Arroyo Parkway. From there, homeless people are referred to a number of agencies providing housing and supportive services.



The types of housing available for homeless people are:

- **Emergency Shelter.** Includes short-term facilities, detoxification programs, and vouchers. This also includes transitional housing and case management to prepare residents to obtain and maintain housing and live self-sufficiently.
- **Residential Rehabilitation/Substance Abuse.** A residence that provides housing for up to six months and provides specialized treatment and active rehabilitation for alcoholism and other drug-related issues on-site.
- **Transitional Housing.** A residence that provides a stay of up to two years during which residents are provided case management services that prepare them to obtain and maintain housing and live self-sufficiently.
- **Permanent Supportive Housing.** A residence that provides permanent housing linked with ongoing support services designed to allow residents to live at the place of residence on an indefinite basis.



*Family Center Facility*

The City of Pasadena also works with an extensive number of nonprofit, government, and for-profit organizations to provide a range of supportive services for its homeless population. These organizations and their roles are detailed in the City’s Continuum of Care Application and the Consolidated Plan. Table 2-17 summarizes the inventory of housing available and shortfall for people who are homeless in Pasadena. Of particular note is the growing and significant need for permanent supportive housing.



*Euclid Villa Project*

**Table 2-17: Homeless Housing Needs**

Housing Inventory	Current Inventory (beds)		Unmet Need
	Individual	Family	
Winter Shelter	155 beds		—
Emergency Shelter	72	77	208 beds
Transitional Housing	66	72	134 beds
Permanent Supportive	61	38	308 beds

Source: Continuum of Care Plan, 2009.

## AT-RISK YOUTH

The City of Pasadena has a large population of youth in or aging out of the foster care system (emancipated youth). As of 2008, the City of Pasadena was home to numerous youth living with families in the community or in licensed care facilities. Because of their troubled backgrounds, foster children need housing and a higher level of supportive services related to education, employment, mental health, and other issues.

The City is home to a variety of organizations providing services and residential facilities to foster children or for children experiencing mental health, substance abuse, or other traumatic conditions. The following discussion and Table 2-18 summarize several large organizations that provide housing and support services for children in Pasadena and the surrounding area.

- **Five Acres.** Originally founded as an orphanage in 1888, Five Acres offers residential care and education, mental health services, foster care and adoptions, and domestic violence prevention. Five Acres has a Residential Treatment Center in Altadena and three 6-bed group homes in Pasadena: Solita, East Mountain and Monte Vista.
- **Hillsides.** Hillsides operates a 17-acre campus in Pasadena. They offer rehabilitation programs, including education, family unification, and other services. Residential facilities include six group homes on the main grounds. In 2005, Hillsides purchased an apartment building in Pasadena that now houses 28 emancipated foster youth.
- **Rosemary’s Children.** Rosemary Cottage, which opened in 1920, helps girls of all ages who have suffered abuse, neglect, and abandonment. The Residential Program provides four 6-bed group homes and a 19-bed cottage in the Pasadena area. Rosemary’s Children is dedicated to fostering personal, emotional, and educational growth for 43 at-risk girls.
- **Sycamore/Hathaways.** This multiservice children's services agency provides residential treatment for boys ages 6–17, community-based group homes for boys, transitional living programs for emancipating foster youth, nonpublic school for boys and girls, and foster family and adoption for children birth–17 years. The organization operates out of a central facility in Altadena.

**Table 2-18: Housing for At-Risk Children in Pasadena**

Clientele	Current Inventory		
	Group Homes	On-Site Facilities	Housing
Five Acres	3 homes (18 beds)	80 beds	N/A
Hillsides	N/A	6 (24 beds)	28 beds
Rosemary’s Children	3 (18 beds)	1 (19 beds)	N/A
Hathaway	—	1 (46 beds)	—
<b>Total</b>	<b>36+</b>	<b>169+</b>	<b>28+</b>

Source: The Planning Center, 2008

## HOUSING CONSTRUCTION NEEDS



California law requires cities to plan for the accommodation of population and employment growth by implementing responsive housing programs. To assist in that effort, the Southern California Association of Governments (SCAG) prepares housing construction needs goals for each city as part of the Regional Housing Needs Assessment (RHNA). Total housing construction need is comprised of the number of housing units needed to accommodate future population and employment growth, normal vacancies and demolitions, and targets for the number of affordable units.

### POPULATION AND JOB GROWTH

The first component of construction need represents the number of units needed to accommodate new households forming as a result of population and employment growth. Pasadena's housing need is based on SCAG's regional growth forecast adopted in the 2007 Regional Transportation Plan, with slight adjustments for the RHNA. The household growth component is determined by calculating the expected population and employment growth that will occur in Pasadena from 2006 to 2014.

- **Population Growth.** The City is expected to increase in population by approximately 6,000 residents from 2005 to 2015. This growth will occur as recent project approvals are completed and occupied.
- **Employment Growth.** Employment levels are projected to continue their modest growth, increasing by approximately 10,000 jobs from 2005 through 2015. Employment growth is centered within the greater downtown.
- **Household Growth.** As a result of population growth and changes in the community, the number of households is expected to increase by approximately 3,500 households from 2005 to 2014 based on average household size.

### HOUSING FACTORS

The RHNA goal for new construction incorporates additional units to accommodate two factors in the housing market. First, the housing market requires a certain number of vacant units to allow for sufficient choice for consumers, maintain rents and prices at adequate levels, and encourage normal housing maintenance and repair. In the southern California region, SCAG assumed a regional housing vacancy factor of 3.5 percent, which assumes a 2.3 percent ownership vacancy and 5.0 percent rental vacancy.

The RHNA model also adjusts the construction need goal to replace housing units lost from residential uses. Over time, all cities can expect that a certain number of housing units will be lost due to demolition, fire, conversion to nonresidential uses, recycling to other uses, or a variety of other reasons. In Pasadena, the demolition rate is typically one unit for every ten new units. Therefore, SCAG adjusts the City's housing production goals by a standard "replacement factor," which is based on the historical rate of residential units that are lost to demolition/other uses in the community.

### Fair Share Factor

California Housing Element law requires that the formula used to distribute the RHNA avoid or mitigate the over-concentration of income groups in a jurisdiction to achieve its objective of increasing supply and mix of housing types, tenure, and affordability in an equitable manner across the region. In practice, the idea is to require jurisdictions with a smaller proportion of lower income units to provide a larger share of lower income units as part of their construction need to compensate for other jurisdictions that already accommodate more than their fair share. SCAG adopted a regional policy that each city move 110 percent toward the county income distribution in each income category. The Southern California of Association of Governments provides a website with greater detail on the calculations for the Regional Housing Needs formula.

### Regional Housing Needs Share

With the above criteria in mind, the City of Pasadena has a regional housing needs allocation (RHNA) of 2,869 units for the 2006–2014 planning period. The RHNA also determines the number of units by household income and level of affordability as follows: 711 housing units affordable to very low income households, 452 housing units affordable for low income households, 491 housing units affordable for moderate income households, and 1,215 units affordable for above moderate income households. These housing targets are summarized below in Table 2-19.

**Table 2-19: 2006–2014 Pasadena RHNA**

Income Levels	Number of Units	Percentage of Units
Very Low Income	711	25%
Low Income	452	16%
Moderate Income	491	17%
Above Moderate	1,215	42%
<b>Total</b>	<b>2,869</b>	<b>100%</b>

Source: City of Pasadena, 2008.

The Housing Resources and Housing Plan chapters detail how this production level will be accommodated on vacant and underutilized sites in the community. It should be noted that the City of Pasadena is not required to build or finance the construction of this housing, but rather to make available sites with adequate zoning and programs that would help facilitate the production of affordable housing. Chapter 4 includes a detailed description of the land, financial, and administrative resources available to support the production of housing in Pasadena. The Housing Plan contains a menu of programs that are also available to support the production of housing.

## HOUSING PRESERVATION

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Publicly subsidized affordable housing provides the largest supply of affordable housing in most communities. The City of Pasadena has a significant number of affordable housing units that receive public subsidies in return for long-term affordability controls. Typically, these residential projects provide units affordable to extremely low, very low, and low income households, including persons with special needs. Over time, certain affordable housing units are eligible to change from lower income housing to market rate housing within five years after the end of the planning period.

California law requires that all housing elements include an analysis of “assisted multiple-family housing” projects as to their eligibility to change from low income housing to market rates by 2018. Assisted housing developments or at-risk units are multifamily rental housing complexes that receive government assistance under federal, state, and/or local programs within the current and subsequent five-year planning period of the housing element. If there are units at-risk, the element must include a detailed inventory and analysis. The inventory must list:

- Each development by project name and address
- Type of governmental assistance received
- Earliest possible date of change from low-income use
- Total elderly and nonelderly units that could be converted
- An analysis of costs of preserving and/or replacing these units
- Resources that could be used to preserve the at-risk units
- Program for preservation of at-risk units and quantified objectives

The reasons why publicly assisted housing might convert to market rate include expiring subsidies, mortgage prepayments, and expiration of affordability restrictions. This represents a significant concern to residents. Affordable housing is most likely to convert to market rents during inflationary times when market rents escalate and create a financial incentive. During the past planning period, several affordable projects could have converted to market rents. However, the City received 123 enhanced vouchers from the Department of Housing and Urban Development for the Sky Vista and La Villa Lake projects, former Section 236(j)(1) projects that prepaid their mortgages and opted out of Section 8. These preservation efforts are tremendous successes for the City.

Table 2-20 summarizes the publicly subsidized units in Pasadena. Additional affordable units are also provided in the City through the inclusionary program and are deed restricted as affordable in perpetuity. Figure 2-1, *Affordable Housing with Covenants*, displays the location of all deed-restricted affordable units in Pasadena. The remainder of this analysis focuses on examining preservation options for affordable housing projects at-risk of conversion during the period of 2008 through 2019.

Table 2-20: Assisted Rental Housing Inventory

Project Name (Owner) and Address	Total Units	Assisted Units	Tenant Type	Assistance	Expiration	Ownership Type
Acappella of Pasadena 160 Corson/145 Chestnut	143	12 very low income	Family	IHO	In perpetuity	Profit- Motivated
Agape Court 445 N. Garfield Avenue	46	10 very low income	Family	Housing Trust Funds; HOME	2015 if loan repaid	Nonprofit - Beacon
Archstone Pasadena 25 S. Oak Knoll Avenue	120	10 very low income	Family	IHO	In perpetuity	Profit- Motivated
Arpeggio of Pasadena 325 Cordova Street	135	11 very low income	Family	IHO	In perpetuity	Profit- Motivated
Centennial Place 235 E. Holly	144 SROs	144 very low income	Single persons	LIHTC	7/9/2022	Nonprofit
Chester House 1115 N. Chester Ave	6 SFR	6 very low income	Special needs	HUD 202/811 RDA Funds	2031	Nonprofit
Community Arms 169 E. Orange Grove	133	133 very low income	Senior	Section 8 LIHTC	8/31/08	Limited dividend
Concord 275 Cordova Street	149	149 very low income	Senior	HUD 202 HUD 811	2031	Nonprofit- RHF
Crown House 3055 E. Del Mar	11	11 very low income	Special needs	HUD 202/811 RDA Funds	2027 2012	Nonprofit t
Del Mar Station 202 S. Raymond Avenue	347	14 Low and 7 moderate	Family	IHO	In perpetuity	Profit- Motivated
El Sereno Apartments 1521-1535 El Sereno	6	6 very low income	Family	RDA	2030	Profit- Motivated
Fountain Glen 775 East Union Street	98	3 low and 1 moderate	Senior	IHO	In perpetuity	Profit- Motivated
Green Hotel 50 E. Green	139	139 very low income	Senior	LMSA Insured	2023	Limited dividend
Green Street SRO 1299 E. Green Street	89	9 low 80 moderate	Students	IHO	In perpetuity	Profit- Motivated
HFL Ashtabula 380-390 Ashtabula	21	21 very low income	Special needs	HUD 811	2043	Nonprofit
Holly Street Apts. 151 E. Holly	375	75 very low income	Family	RDA	2013	Profit- Motivated
Hudson Gardens 1255 N. Hudson	40	40 very low income	Senior	HFDA/8 NC	4/19/13	Profit Motivated
Hudson Oaks 1267 N. Hudson	45	45 very low income	Senior	City of Industry, City; Tax Credits	4/2056	Nonprofit- Abode
Kings Villages 1141 N. Fair Oaks	313	313 very low income	Family	PD/8 Existing HUD held; RDA	9/30/08 2043	Limited dividend
La Pintoresca 1275 La Pintoresca	64	64 very low income	Senior	HUD Held Project	5/31/09	Nonprofit
Magnolia Townhomes 172 N. Raymond	5	5 very low income	Family	Section 8 HUD 221(d)(4)	9/13/08 4/1/2022	Profit Motivated
Northwest Manor I & II 985 N. Raymond 700 E. Mountain	88	88 very low income	Family	LMSA Insured- Subsidized	5/31/09 2/28/09	Nonprofit
Orange Grove Gardens 252 E. Orange Grove	37	37 very low income	Family	LIHTC RDA	2105	Nonprofit- Abode
Parke Los Robles 626 N. Los Robles	12	12 low and very low	Family	LIHTC RDA	2025	Profit- Motivated
Pasadena Accessible 915 Rio Grande	13	13 very low income	Special Needs	HUD RDA	2042 2042	Nonprofit

Project Name (Owner) and Address	Total Units	Assisted Units	Tenant Type	Assistance	Expiration	Ownership Type
Pasadena Place 169 W. Green Street	38	3 very low income	Family	IHO	In perpetuity	Profit- Motivated
Pasadena Silvercrest 975 E. Union	75	75 very low income	Senior	HUD 202 HUD 811/RDA	2026	Nonprofit
Pilgrim Towers 440 N. Madison 560 E. Villa	158 258	416 very low income	Senior	LIHTC LMSA	2019 2009	Nonprofit
Raymond Grove 55 E. Orange Grove	12	12 very low, low, mod	Family	RDA	2032	Profit- Motivated
Renaissance Court 456 East Grove Boulevard	31	5 low income	Family	IHO	In perpetuity	Profit- Motivated
Rosewood Court 1890 N. Fair Oaks	65	65 Very low income	Senior	HUD 202 HUD 811/RDA	2043	Nonprofit
Sierra Rose 3053 ½ E. Del Mar	6 SFR	6 very low income	Special Needs	HUD 202 HUD 811/RDA	2041	Nonprofit
TELACU Courtyard 42 E. Walnut	70	70 very low income	Senior	HUD 202 HUD 811/RDA	2036 2038	Nonprofit
Trio Apartments 621 E. Colorado Blvd.	304	6 moderate 12 low income	Family	IHO	In perpetuity	In perpetuity
Villa Apartments 2089 E. Villa	5	5 very low income	Special Needs	HUD 202 HUD 811/RDA	2042 2042	Nonprofit
Villa Los Robles 473 N. Los Robles	8	8 low and very low income	Family	LIHTC; RDA	2032 2042	Profit- Motivated
Villa Parke Homes Various locations	9	9 low and very low income	Family	LIHTC; RDA	2020 2019	Nonprofit
Villa Raymond 455 N. Raymond	61	61 very low income	Senior	LMSA HUD	8/31/11	Limited dividend
Villa Washington 264 E. Washington	21	21 low & very low income	Family	LIHTC RDA	2025	Profit- Motivated
Villa Yucatan 2186 E. Villa	14	14 very low income	Family	LMSA	6/1/2013	Nonprofit
Vista Court (Meridian) 64 N. Mar Vista Avenue	98	20 very low and moderate	Family	IHO	In perpetuity	Profit- Motivated
Walnut Place 712 East Walnut	28	3 very low income	Family	IHO	In perpetuity	Profit- Motivated
Washington Townhouses 529 E. Washington	20	20 very low income	Family	LMSA HUD held	6/1/2013	Nonprofit
Westgate Apartments 231 S. De Lacey Avenue	96	96 very low income	Family	IHO	In perpetuity	Profit- Motivated
Windrose Place 271 E. Bellevue Drive	134	27 moderate income	Family	N/A	N/A	N/A
168 N. Wilson Avenue	23	22 very low income	Family	Section 8	N/A	N/A
33 South Wilson Avenue	45	4 very low income	Family	IHO	In perpetuity	Profit- Motivated
Woodbury Apartments 476 E. Woodbury	12	12 low income	Senior	RDA	2035	Nonprofit
Wynn House 1920 E. Villa	6 SFR	6 very low income	Special Needs	HUD 202/811; RDA	2031	Nonprofit

## Funding Sources:

IHO = Inclusionary Housing Ordinance  
HOME = Federal Home Funds  
LIHTC = Low Income Housing Tax Credits

HUD 231/221 = former federally-insured loans  
RDA = Redevelopment Agency funds  
LMSA = Housing Assistance Payments from HUD  
HUD 202/811 = Federally Subsidized housing-seniors/disabled



Approximately 602 senior rental units are at risk of conversion and 176 family rental units are at risk of conversion by 2019. The vast majority of affordable projects currently at risk of conversion were financed under older HUD-administered programs that subsidized the production of affordable rental housing. The original loans issued for these rental projects have matured or are nearing maturity and thus the owners of each of these projects could opt out and convert the project to market rents. Currently, the affordability of rents at these projects is maintained through Housing Assistance Payments (HAP contracts) or LMSA, described below.

Under HAP Contracts, HUD provides Section 8 rental subsidies to the project owners in an amount equal to the difference between the fair market rent for a particular assisted unit and the HUD-determined rental contribution from eligible tenant families. Other projects are covered by the LMSA program. This program was developed by HUD primarily to provide financial assistance to multiple-family properties subject to FHA-insured mortgage loans that are in immediate or potential financial difficulty. HUD also provides rental assistance under the LMSA Program to properties subject to mortgage loans held by FHA. HUD is authorized to make a commitment of LMSA assistance to a mortgaged property for a maximum 15 year period.

LMSA program funding, like other HUD funding, is uncertain. In recent years, HUD has provided LMSA assistance for a maximum single five-year term; however, at this time Congress has not appropriated the necessary funds to enable HUD to provide new contracts for LMSA except in the context of one-year renewals of expiring existing LMSA agreements. Some forms of HAP contracts grant the project owner the option to renew the contract for one or more incremental terms, up to the specified maximum term. For LMSA projects, the renewal of any such incremental term requires the agreement of both the owner and HUD. If the HAP Contract is renewed, the provisions of the agreement will remain in effect during the additional incremental term.

The primary reasons for projects in Pasadena being considered at risk of conversion are threefold: 1) the Pasadena rental market; 2) physical condition and financial status of properties; and 3) the uncertainty of future HUD funding. First, the Pasadena rental market continues to remain strong and the incentive for conversion to market rents is attractive. Even undermaintained units can command rents exceeding \$1,500 per month. Second, many of these older rental projects may have rehabilitation needs and many of the projects have lower-than-desired cash flows and reserves. Finally, continued funding from the federal government to maintain the affordability of the projects is uncertain. In light of these conditions, all of the projects are at risk of conversion.

## PRESERVATION OPTIONS

Typically, local governments utilize five primary ways to preserve publicly-assisted affordable units: 1) replace the expiring rental subsidies, 2) construct new affordable housing units to replace the units lost to conversion, 3) purchase the project and transfer to a nonprofit; 4) offer incentives to rehabilitate the units in return for extended affordability controls; and 5) refinance the project. These options are discussed below.

### Replacement of Rent Subsidies

The vast majority of the at-risk affordable projects in Pasadena receive LMSA or Section 8 housing vouchers. The City could replace the rental vouchers given to each tenant (in the case of portable vouchers) or the payment subsidies given to each property owner under contract with the federal government when properties receive project Section 8 certificates. The financial cost of replacing subsidies depends on the fair market rent for the apartment and the household income level of the tenant. Typically, the subsidy would equal the difference between what a household can afford to pay (e.g., 30 percent of income after utility payments) and the fair market rent for the unit.

The financial cost to replace the subsidies would generally equal the difference between the fair market rate (FMR) of an adequately sized unit as determined by the federal government or by the City and the maximum rent tenants could afford to pay (assuming payments not exceeding 30 percent of income). In Pasadena, the FMR increases from \$904 for a studio unit to approximately \$2,199 for a four-bedroom unit. As shown in Table 2-21 below, replacing the existing rental subsidies would cost the City approximately \$4.9 million annually—translating into \$246 million over 50 years.

**Table 2-21: Preservation Strategy: Replace Section 8 Subsidies**

Apartment Unit by Bedrooms	Fair Market Rent	Affordable Rent	Difference (FMR-Affordable Rent)	Number of At-Risk Units	Annual Subsidy
Studio	\$904	\$524	\$380	165	\$752,000
1-bedroom	\$1,090	\$598	\$492	402	\$2,373,000
2-bedroom	\$1,361	\$745	\$616	168	\$1,242,000
3-bedroom	\$1,828	\$748	\$1,080	43	\$557,000
<b>Total</b>				<b>778</b>	<b>\$4,924,000</b>

Source: City of Pasadena, 2008.

Note: Affordable rent based on maximum affordable payment for very low income household. Maximum affordable rents are consistent with the inclusionary program to provide basis for comparison

Although this subsidy would likely guarantee the long-term affordability of the unit, the cost could increase over time as market pressures push rents higher and require the City to increase the amount of rental subsidies. Generally, this option is seen as a short-term fix to a long-term problem and would not be feasible except for a limited time.

**New Construction**

The second option is to replace the affordable units with newly constructed housing. Typically, this option is more feasible in the case of projects owned by a for-profit entity, since a for-profit entity has less incentive to maintain the affordability of a project. However, to replace an affordable housing project is a substantial undertaking. The project would require finding suitable multiple-family-zoned sites, purchasing available vacant or underutilized land, negotiating with a developer, securing multiple funding sources, and managing the other costs associated with new housing.



Construction costs also vary widely depending on a number of factors. Typically, Type 5 wood-frame construction over concrete parking is substantially less expensive than steel-frame construction exceeding five stories over subterranean parking. Other factors to consider include intended occupancy (families or seniors), cost of materials, and the number and quality of amenities. According to evaluations of rental and ownership proposals in Pasadena, construction costs range between \$250,000 to \$300,000 per unit for senior housing and \$275,000 to \$390,000 per unit for family housing.

Another key factor is the cost of land and the density of development. As discussed in Chapter 3, City staff analyzed 24 land sales transactions and found that residential land costs vary from \$50 to \$100 per square foot. Although land costs have declined in the past year with the downturn in the market, these general estimates still provide a reasonable magnitude of order cost estimate for this analysis. Land costs must also take into account the density of development. Recent affordable projects have ranged from 32 units per acre for family housing to 87 units per acre for senior housing.

Table 2-22 provides a magnitude of order estimate of the costs of replacing through new construction the senior and family housing at risk of conversion. In short, the total cost of replacing the units ranges from \$263 to \$293 million dollars. Additional funding may be needed to ensure long-term affordability covenants.

**Table 2-22: Preservation Strategy: Construct New Units**

<b>Project Details</b>	<b>Senior Affordable Housing Projects</b>	<b>Family Affordable Housing Projects</b>	<b>Total At-Risk Rental Units</b>
Number of units	602 units	176 units	778 units
Hard Construction. Financing, soft & indirect financing cost per unit	\$275,000 (Total: \$165million)	\$275,000 (Total \$48 million)	\$275,000
Land needed to replace at-risk rental projects	At 87 du/ac assuming 7 sites of 1 acre each	At 35 du/ac assuming 5 sites of 1 acre each	12 acres of land
Land costs ranging from \$50 to \$100 psf	\$15.2 million to \$30.5 million	\$10.9 million to \$21.8 million	(26.1 to \$52.3 million)
Additional costs	10 percent contingency	10 percent contingency	10 percent contingency
<b>Total</b>	<b>\$199–\$216 million</b>	<b>\$65.2–\$77.2 million</b>	<b>\$263–\$293 million</b>

Source: City of Pasadena, 2008.

### Purchase of Units

The City of Pasadena could also purchase the affordable senior and family projects and facilitate their transfer to a nonprofit organization dedicated to providing affordable housing. Under the right transfer provisions, this option would provide an effective way to preserve the units because the new owner would have a vested interest in maintaining the affordability of the units and have access to funding sources not necessarily available to private for-profit companies. A nonprofit housing corporation could also rehabilitate the project using low income housing tax credits and extend affordability controls.

To facilitate the transfer to a nonprofit, the City could purchase the building out right at market prices and transfer it to the new owner. The market price could be determined in many different ways. The valuation of apartments is often done by examining the sales price of similarly-situated properties. However, a survey of recent sales did not find a case where an affordable housing project was sold as is, without significant refinancing. Because of the lack of recent comparable sales, appraisers can still determine the value of apartments based on a combination of gross income, vacancy rate, operating and maintenance costs, condition of the property, and the capitalization rate.

Table 2-23 illustrates several scenarios on the potential cost of purchasing subsidized apartment projects in Pasadena as a means of preserving the affordable units. It should be noted that the assumptions are highly variable. A project-by-project analysis of income statements was not used nor is it required for this analysis. The purpose of this exercise was to provide a general magnitude of order estimate for this preservation option for comparison with other preservation options in Pasadena.

**Table 2-23: Preservation Strategy: Purchase Projects**

<b>Project Details</b>	<b>Senior Affordable Housing Projects</b>	<b>Family Affordable Housing Projects</b>
Number of units	602 units	176 units
Square footage	600	1000
Average monthly rent	1041	1300
Annual gross income	\$7,144,175	\$2,608,320
Annual operating cost	\$2,500,461	\$912,912
Net operating income	\$4,643,714	\$1,695,408
<b>Total</b>	<b>\$92,874,272</b>	<b>\$33,908,160</b>

Source: City of Pasadena, 2008.

Assumptions:

- 1) Size of units assumed at 600 per senior unit (primarily studios or 1 bedroom units) and 1,000 square foot for family projects assuming primarily 2 and 3 bedroom units.
- 2) Annual income adjusted by vacancy factor of 5 percent
- 3) Operating costs and expenses assumed at 35 percent of adjusted gross income
- 4) Capitalization rate based on review of current properties for sale in Pasadena at 5%

### Acquisition/Rehabilitation/Preservation

Like most communities, the City’s affordable housing stock is older in age and appears to show signs of deferred maintenance and a general need for rehabilitation. Although occupancy and lease-up rates are generally higher in affordable projects, these projects tend to operate on more modest profit margins and have less financial reserves. In cases of where deferred maintenance exists and rehabilitation is required, the owners may not have sufficient revenue to improve the property and extend its useful life. These types of properties are the best candidates for the City to offer rehabilitation incentives.



City surveys of rental projects showed that rehabilitation costs range from \$104,000 to \$208,000 per unit. Based on these figures, the cost of rehabilitating the 778 units would range from \$80.9 million to \$161.8 million dollars. In addition, the City surveyed two recent projects that were preserved. In 2002, the City facilitated rehabilitation of Kings Village Apartments for \$120,300 per unit in 2002 dollars or \$146,000 in 2008 dollars. The historic Green Hotel was also preserved at \$248,000 per unit. Based on these estimates, the cost of preserving the 778 units ranges from \$113.6 to \$161.8 million.

### Refinancing and Transfer to Other Entity

In some cases, the City has issued loans to developers to build affordable housing. Over time, the project owner may need to refinance the project or the terms of the loan to raise revenue for significant rehabilitation needs. In other cases, a project may be in the process of being sold and the new owner wishes to rehabilitate and preserve the project. In these situations, the City could renegotiate financing or provide gap financing to make the project work. Kings Village Apartments is the most notable example. The total package of incentives offered was \$37.6 million. This included \$10.5 million in low income housing tax credits, \$17.6 million in bonds, \$2.7 million in participant equity, and other sources. However, because of a willing buyer and leveraging of resources, the City’s direct financial contribution in terms of a loan was only \$5,600 per rehabilitated unit.

### Summary of Options

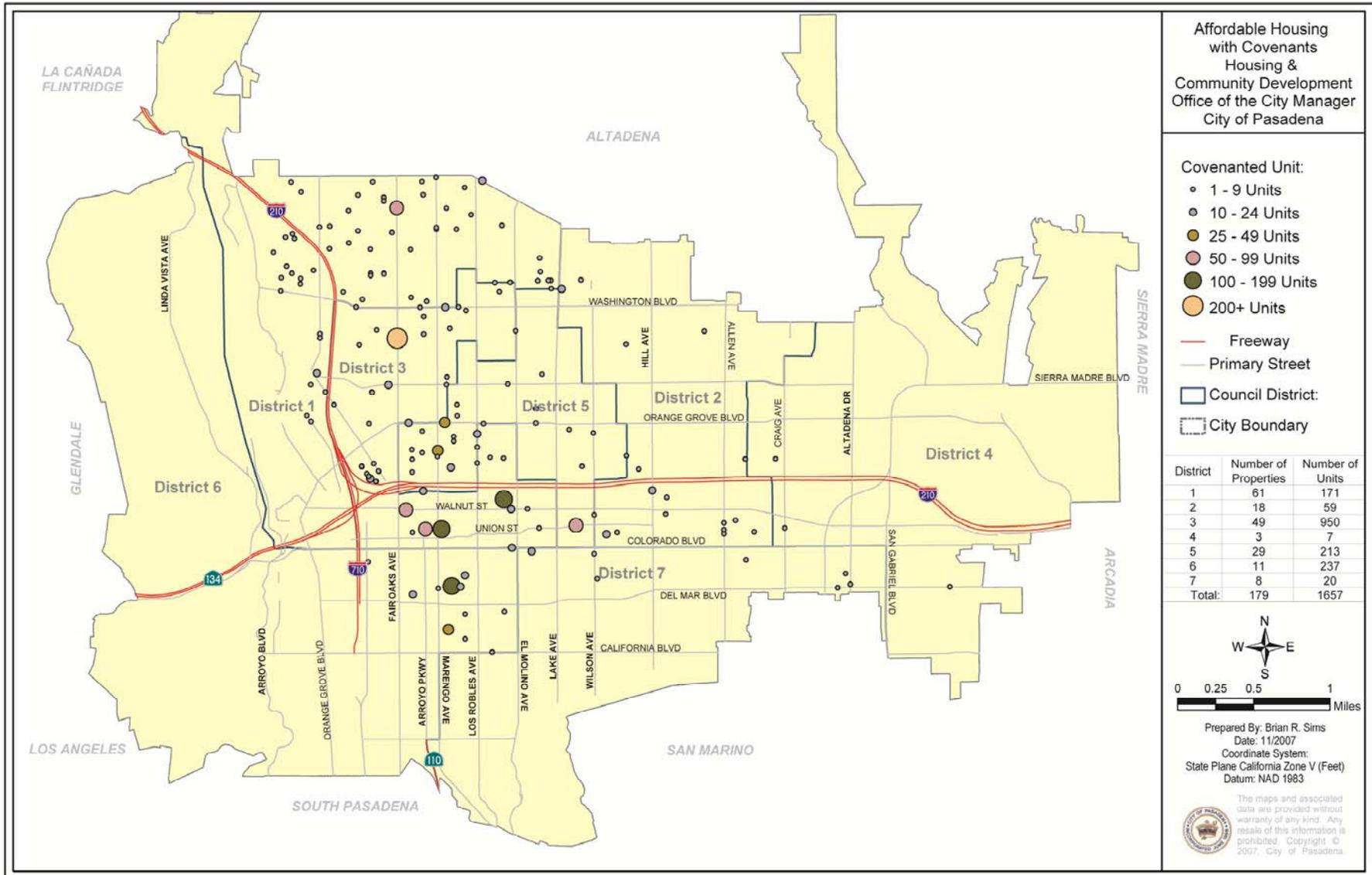
Table 2-24 summarizes the preservation options discussed in this section. In evaluating the potential merits of each strategy, a more detailed assessment is recommended to determine the most appropriate strategy based on the characteristics of the projects.

**Table 2-24: Preservation Strategy: Summary**

Alternative	Average Per Unit Preservation Cost	Total Preservation Cost
Replace rental subsidies	\$316,000	\$246 million
Build new apartments	\$357,000	\$277 million
Purchase existing projects	\$173,000	\$134 million
Rehabilitate projects	\$156,000	\$121 million
Acquire/rehab/preserve	\$197,000	\$153 million

Source: City of Pasadena, 2008.

**Figure 2-1 Affordable Housing with Covenants**



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# Housing Constraints

This chapter provides an analysis of potential market, governmental, and environmental constraints to the production, maintenance, and improvement of housing in Pasadena.

## INTRODUCTION

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The provision of decent, suitable, and affordable housing is an important goal. Pasadena has a variety of housing needs due to changing demographics, rising housing costs, and other factors. Addressing these needs requires a continued effort to respond to changing conditions in the community. However, various factors may potentially constrain the City’s ability to achieve its housing goals. Market factors, including land costs, increase the cost of housing construction. Governmental regulations, although designed to maintain quality of life, can also increase housing construction costs.

State law requires a housing element to contain an analysis of potential and actual governmental and nongovernmental constraints to the maintenance, improvement, and development of housing for all economic and social segments (Section 65583[a][4][5]). This section analyzes the following three potential constraints:

- **Market factors**—includes the demand for housing, development costs, fees and taxes charged for housing projects, availability of financing, the price of land and other factors that increase the cost of housing reinvestment.
- **Governmental regulations**—includes land use regulations, building codes, site improvements, fees and other exactions, local processing and permit procedures, and other regulations that raise the cost of development.
- **Environmental factors**—includes the adequacy of infrastructure, water, air quality, and public services to support new development, and other environmental considerations that affect housing investment.

State law requires the Housing Element to demonstrate efforts to remove governmental constraints to meeting the RHNA and addressing the need for housing for persons with disabilities (Section 65584[a][4]). Should constraints preclude achievement of housing goals, state law requires jurisdictions to address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing for persons of all incomes, including persons with disabilities.

## MARKET FACTORS

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The housing market has a significant influence upon the maintenance, development, and improvement of housing. Market factors include the demand for housing, land acquisition and development costs, and the availability and cost of financing. This section describes market constraints to the provision of housing in Pasadena, as well as local programs designed to mitigate these impacts.

### MARKET DEMAND

Over the past two decades, Pasadena has undergone several economic and housing cycles that demonstrate the influence market demand has on housing prices. During the latter half of the 1980s, Pasadena experienced escalation in housing prices and rents. Fueled by pent-up demand and tax incentives, the City experienced a residential construction boom and rising real estate prices. With a significant downturn in the regional economy and the oversupply of multiple-family units built during the late 1980s, the real estate crash of the 1990s caused prices to plummet to ten-year lows.

As the economy improved in the latter 1990s, housing demand increased. The 2000 Census documented Pasadena's vacancy rate at 1.4 percent for ownership housing and 2.9 percent for rental housing, well below the rates considered optimal (e.g., 1.5 to 2.0 percent for for-sale units; 5 to 6 percent for rental units). Pent-up demand for housing coupled with creative lending practices caused housing prices to triple over the 1998–2007 period. Rents remained high as Pasadena emerged as a significant employment center. Most recently, the national economic slowdown and mortgage credit crunch have resulted in a decline in housing prices, although the rental market remains strong.

Market conditions in Pasadena are also a result of historic underproduction of housing throughout the region. During the 1990s, communities in the San Gabriel Valley produced only one new home for every eleven new residents. In contrast, the City of Pasadena built one new home for every two new residents. The regional underproduction of housing has contributed to high housing prices. Between 1999 and 2007, the average rent in Pasadena increased by 64 percent, with a two-bedroom apartment commanding an average rent of \$1,600 in 2008. Meanwhile, prices of housing have also increased to \$760,000 and the median condominium price is \$475,000.

As of 2010, it appears that apartment rents have stabilized and, in some cases, are declining in response to the economy. Despite the downturn in the market, housing prices and rents are still anticipated to remain higher than neighboring communities and at the same affordability levels. In order to encourage the production of affordable housing in light of these strong market forces and continued demand for housing, the City actively utilizes a range of regulatory and financial incentives. Discussed later, these tools include an inclusionary ordinance, fee waivers, density bonuses, land write-downs, direct financial assistance, and a variety of other direct and indirect tools to encourage the production of affordable and special needs housing.

## DEVELOPMENT FEES AND TAXES



New residential development imposes certain short- and long-term costs upon local government. These include the short-term cost of providing City planning services and inspections of new development. Long-term costs include the maintenance and improvement of the community's infrastructure, facilities, parks, streets, and other essential local services. As permitted under state law, the City of Pasadena charges planning, building, and development services fees to recoup these costs and ensure that essential services and infrastructure are available for individual projects.

The City charges local fees to recover the cost for processing planning reviews and approvals, building permits, design reviews, and other services. Some of the primary fees involved include design review, zone changes, variances, conditional use permits, building permits, and plan checks. Fees range widely, depending on the hours required to provide these services. In accordance with the Government Code, the City is permitted to charge service fees to fully recover any costs incurred, but the fee amount cannot exceed the estimated reasonable cost of providing the service.

In addition to service fees directly associated with development processing, jurisdictions frequently charge impact fees to ensure that infrastructure, public services, and facilities have adequate capacity to accommodate the demands placed upon them by new residential development. Similar to service fees, the Government Code permits the City of Pasadena to charge such impact fees, provided the fee has a reasonable relationship to the infrastructure costs imposed on local government and the fee amount is structured to recover the marginal costs associated with each new development project.

In November 2006, City Council adopted the Traffic Reduction and Transportation Improvement Fee. This fee was an outgrowth of the 2004 Land Use and Mobility Elements, and the City's desire to establish a "fair share" approach to require developers to mitigate their projects' impacts to the Citywide transportation system. The impact fee is \$2,480 per net housing unit, with any existing units demolished as part of the development credited against the fee. The City waives the fee for affordable housing units built on-site. Projects that have 15 percent of the units that meet the City's "workforce housing" definition also pay a reduced fee.

Pasadena established the Residential Impact Fee (RIF) in 1988 to mitigate the impact of new residential development on City parks and park facilities. In 2005, the City established a committee to develop recommendations on the establishment of: 1) a variable fee based on unit size; 2) incentives within the fee structure to increase on-site affordable housing; and 3) incentives for workforce housing development. As a result of the Committee's recommendations, the City restructured the RIF from a flat per-unit fee to one based on the number of bedrooms to accurately reflect the demand for parks and built in significant incentives to encourage production of affordable housing:

- **Affordable Units.** Developers of on-site affordable housing are charged a significantly reduced fee of \$756 per affordable unit (escalated by the CPI), and the fee is reduced for all other units in the development by 30 percent.



- **Senior and Student Housing.** Student housing associated with postsecondary education and skilled nursing units are allowed to pay the same reduced rate (\$756 per unit) as affordable units.
- **Workforce Housing.** The fee is reduced 50 percent for workforce units provided at 121–150 percent area median income (AMI), and reduced 35 percent for workforce units provided at 151-180 percent AMI.

As a means of assessing the cost that development fees and taxes contribute to the cost of construction of housing in Pasadena, the City has calculated the average fees for six townhome projects, a mixed-income apartment project subject to inclusionary requirements, and two affordable projects (e.g., a mixed-use project with moderate income inclusionary units and a 100 percent affordable housing project). As indicated in Table 3-1, residential development fees range from a per unit fee of \$28,000 for an apartment project and a slightly higher per unit fee of \$32,000 for a condominium. These fees are competitive in comparison to large jurisdictions in the region.

To encourage the production of affordable housing, significant fee waivers are provided for units deed restricted as affordable to lower and moderate income households. Pasadena grants a waiver of up to \$125,000 of plan check and building permit fees and construction tax on lower and moderate income units deed restricted as affordable for 30 years. To determine the total impact of reduced fees, two projects were evaluated—a 100 percent affordable rental project and a mixed-use project that provided one-third of all units as affordable to moderate income households. For a two-bedroom apartment, the residential park fee is reduced from \$17,676 to only \$756 per unit, the average per unit construction tax of \$3,500 is reduced and planning fees. With other miscellaneous reductions, the total per unit reduction is about \$20,000 per unit.

**Table 3-1: Development Fees**

Fee Category	Fees per Unit		
	Townhomes	Apartments	Affordable Housing
<b>City Fees</b>			
Plan Check & Building Fees	\$9,012	\$8,710	\$1,707
Construction Tax	\$3,071	\$3,031	None
Transportation and Utilities	\$2,235	\$1,598	N/A
Planning Fees	\$1,366	\$303	\$232
Residential Impact Fee	\$9,371	\$8,585	\$1,744
Sewer Facility Fee	\$1,500	\$1,500	\$1,500
<b>Other Agency Fees</b>			
School District Fees	\$2,980	\$2,467	\$2,203
County Sanitation Fee	\$2,295	\$1,836	\$1,836
<b>Total Fees per Unit</b>	<b>\$31,830</b>	<b>\$28,030</b>	<b>\$9,222</b>

Source: City of Pasadena, 2008.

## DEVELOPMENT COSTS

Development costs include the whole range of costs incurred in the construction, maintenance, and improvement of housing. These include construction materials, which include labor costs, and the cost of residential land. The cost and availability of financing are also included, since they affect the construction industry and the financial feasibility of building new residential projects. The availability and cost of financing also affect the ability of homeowners to secure a loan to purchase or improve a home.

### Construction Costs

A major cost associated with the development of housing is building materials, which have risen dramatically in recent years. According to the US Department of Labor, the overall cost of residential construction materials rose 22 percent between 2004 and 2006, with steel costs increasing 63 percent and the cost of cement increasing 27 percent. Aside from a considerable jump in 2004, wholesale lumber prices have remained constant. However, with the slowdown in the national real estate market, there is finally some moderation in the rate of increase in construction materials. In some quarters, construction materials (such as steel) may even begin to show slight price declines.

Construction costs also encompass the cost of labor, and labor costs are often equal to if not greater than the cost of raw building materials. Labor costs can significantly increase construction costs, depending on whether union or non-union labor is used. For affordable projects funded by the City, state law requires the payment of prevailing wages, increasing labor costs 20 to 30 percent in southern California. However, to mitigate the impact of increasing labor costs on affordable housing, state law exempts certain projects from paying prevailing wages—projects using low-income housing tax credits and tax-exempt bonds where no other subsidy is used.

Construction costs also vary widely depending on the type of construction and parking requirements, with wood-frame Type 5 construction over concrete parking substantially less expensive than steel-frame construction exceeding five stories over subterranean parking. Based on several affordable residential project pro formas currently under review by the City's economic consultant, direct construction costs averaged \$225 per square foot for projects with prevailing wages. These costs are comparable to the cost of affordable housing projects being funded by the Los Angeles Housing Department. Newer prototypes are also being developed that can reduce construction costs further.

An appropriate modification in amenities and the quality of building materials (above a minimum acceptability for health, safety, and adequate performance) can result in lower development costs. As part of Pasadena's inclusionary housing program, the City allows for off-site affordable units to use modified materials and have different features and interior finishes than market rate units, provided all project units are comparable in construction quality and exterior design. Another factor related to construction costs is the number of units built at one time. As that number increases, builders are able to take advantage of the benefits of economies of scale and build more affordable housing.

### Land Costs

The cost and availability of land for development represents a significant market constraint to the production of housing in Pasadena. The lack of readily developable land, combined with a strong local housing market, has significantly increased land prices and the price of housing. Other factors influencing land prices in the City include the costs associated with clearing land of existing structures, potential relocation costs, assembly of multiple parcels under different ownership, and environmental remediation costs when developing in commercial areas. The cost of residential land has nearly tripled since land costs were surveyed in the early 2000s.

To assess the cost of residentially zoned land, City staff compiled data on 16 land sales transactions during 2006–2007 associated with multiple-family development projects applying for preliminary plan check under the City of Gardens ordinance. Residential land costs (per square foot) in Pasadena varied from \$69 in the RM-16 district, to \$92 in the RM-48 district, to \$94 in the RM-32 district, with significant price variation within each district. However, when factoring in the number of units proposed on each site, the per unit land cost decreases from \$208,000 in the RM-16 district, to \$139,000 in the RM-32 district, and \$107,000 in the RM-48 district. Another factor contributing to high land costs in the RM-16 district is that most are small parcels with single-family homes.

Commercial land prices were assessed in a similar manner. City staff compiled eight land sales transactions to assess the cost of acquiring commercial land for residential and mixed-use projects in the Central District, East Colorado, and Fair Oaks/Orange Grove specific plan areas. Sales transactions were derived from the City’s list of recent and pipeline projects within the specific plans. Land prices exhibit the same general pattern as residential land, with per unit prices falling as allowable density or intensity of development increases. However, since nearly all parcels in specific plan areas were purchased for development with residential and commercial mixed uses, it is difficult to compare land costs with entirely residential projects.

Table 3-2 compares the price of land in residential and commercial areas of Pasadena.

**Table 3-2: Land Sales for Residential Uses, 2006–2008**

District	Land Survey		Acquisition Cost	
	Density	Sample Size	Per Square Foot of Lot	Per Allowable Units
RM-16	16 du/ac	6	\$69	\$208,000
RM-32	32 du/ac	7	\$94	\$139,000
RM-48	48 du/ac	3	\$92	\$107,000
East Colorado SP	32 du/ac	3	\$113	\$172,000
Central District SP	48–87 du/ac	4	\$125–\$90	\$114,000
Fair Oaks	40 du/ac	1	\$47	\$52,000

Source: Pasadena Planning and Permitting Department, 2008.

Land costs include the total cost of property acquisition (inclusive of existing structures and improvements).

### **Access to Financing**

The past several years, have seen volatility in the home financing and construction market and the resulting change in lending requirements. This section highlights a few of these broader economic changes that will affect the production and feasibility of purchasing a home during the Housing Element planning period.

### **Home Purchase Financing**

During the past few years, the home buying market more has restructured in response to changes in the economy and housing market. Interest rates for loans have generally varied from approximately 5 to 7 percent, down payment requirements have ranged from 0 to 10 percent; and allowable income-debt ratios have varied as well. Common loan products issued in the early 2000s (adjustable rate mortgages and the like) are rarely used today. In fact, many of these loan products have been credited with placing households of all income levels who purchased homes in the last few years in precarious situations, resulting in increased housing payments and foreclosures.

Lending information that is required to be collected under the Home Mortgage Disclosure Act (HMDA) shows how the change in the housing market has impacted the availability of financing. Since 2006, applications for home purchases, improvements, and refinances have declined by more than 50 percent. Surprisingly, though, the loan approval rate for home purchases has remained the same at approximately 68 percent. However, the approval rate for home improvement loans declined from 63 percent in 2006 to only 47 percent in 2008. This finding could be reflective of declining home values that make it more difficult for residents to refinance or improve their home. Further declines are anticipated to be evident when the 2009 HMDA data are released.

### **Home Construction Financing**

Similar to the boom and bust cycle of the late 1980s, the construction financing industry has restructured itself again in response to the housing market downturn. In past decades, housing developers could receive construction loans for 100% or more of a project's estimated future value. Following the housing market crash, financial institutions tightened regulations for construction loans. This cycle repeated itself during the late 2000s (see *Apartment Finance Today 2009*). Loan underwriting has grown more conservative, with maximum leveraging topping out at 75%. As a result, equity requirements have risen from 10% in the past year or so to 15% to 30% in 2009.

Although there is no hard threshold for how much equity is too much before a project would be deemed infeasible, the higher the proportion of equity required, the more unlikely that a developer would proceed with the project. Not only would it require more up-front cash, but also higher equity contribution means a project must be able to achieve an even higher value at completion in order to generate the net cash flow needed to meet the minimum acceptable cash-on-cash return threshold. These types of housing market trends underscore the condition of the housing market facing southern California today and that are predicted to remain in place during the next several years.

### ***Affordable Housing Financing***



The economic downturn has also impacted the financing for affordable housing. One example is the Low Income Housing Tax Credit Program (LIHTC), which has been one of the most successful ways for financing the production of quality rental housing. In Pasadena alone, tax credits have financed the rehabilitation and construction of one in every four affordable units. LIHTCs provides affordable housing developers an allocation of tax credits, which they then sell to investors to raise equity projects. Investors that purchase tax credits are able to reduce their federal tax liability dollar-for-dollar, so that the purchase of \$1,000 in tax credits reduces tax liability by \$1,000. As a result of the equity made available through the sale of tax credits, a developer can complete projects with less debt and pass cost savings in the form of lower rent.

Historically, Fannie Mae and Freddie Mac provided 40 percent of LIHTC investments, and banks motivated by the Community Reinvestment Act (CRA) provided 40 percent. The LIHTC program is now facing significant challenges. Fannie Mae and Freddie Mac (now in receivership) no longer make new investments. In addition, the substantial losses that many financial institutions continue to incur have eliminated or reduced their ability to use tax credits. In 2008, LIHTC-based investment dropped to \$4.5 billion, about one-half of the \$9 billion invested in 2007. Many observers expect about the same level of investment or less in 2009 and 2010. Although legislators are working on modifying the LIHTC program, it is unclear whether such programs will re-energize the LIHTC market to the levels seen in the pre-financial downturn days.

### ***City Affordable Housing Funds***

In addition to the broader financial services market, the City's affordable housing funds have also been equally impacted by changes in the housing market and economy. Historically, the City of Pasadena has benefitted from a strong residential construction market that, through the Inclusionary Housing Ordinance, has generated significant revenue. From 2003–2009, the IHO program generated an annual average of \$2.2 million in lieu fee payments. In FY 2010, the figure dropped to \$700,000 and is projected to decline further to only \$400,000 in FY 2011. These precipitous declines in IHO revenue affect the ability of the City to support the financing of affordable housing units. Similar revenue declines are occurring in every development fee in Pasadena.

To help fill the gap in financing, the City continues to aggressively seek new funding. In 2009, the City applied to the California Department of Housing and Community Development for \$2 million in grant funds under the State's Local Housing Trust Fund Program. LHTFP funds must be used to provide loans for payment of predevelopment, acquisition, construction, or rehabilitation expenses related to rental housing projects with units restricted for at least 55 years to households earning less than 60 percent of area median income. LHTFP funds may also be used for down payment assistance to qualified low or moderate income first-time homebuyers. The City is also pursuing the merger of several redevelopment project areas that will result in an increase in the setaside portion (from 20% to 30%) of tax increment funds for affordable housing.

## GOVERNMENTAL FACTORS



As does any community, Pasadena implements a variety of regulations that affect land uses and the cost and supply of housing. These include land use controls, building codes and their enforcement, site improvements, fees and exactions, permit procedures, and others. This section discusses these governmental factors and whether they unduly constrain the provision of housing in Pasadena.

### LAND USE CONTROLS

#### Primary Residential Districts

The Pasadena General Plan sets forth policies for guiding the type and amount of housing allowed in different areas of the community. The General Plan has seven primary land use designations that permit residential uses. Together with implementation measures in the Zoning Code, the Land Use Element establishes the types of residential uses permitted in Pasadena. Table 3-3 describes the City's major land use designations, corresponding districts, and types of housing allowed in each district.

**Table 3-3: Residential Land Use Categories**

General Plan Land Use Designation	Zoning and Allowable Uses	
	Districts	Residential Types
Low Density	RS	Single-family residential district typified by single-family detached homes within an established residential neighborhood setting. This density covers the majority of areas in Pasadena.
Low-Medium Density	RM-12	District typified by single-family detached homes with some duplexes within an established neighborhood setting.
Medium Density	RM-16	Highest density district with a feel of single-family residential, comprised of neighborhoods with single-family, small multifamily complexes less than four units, and some two-story multifamily projects.
Medium-High Density	RM-32	Higher density multifamily complexes and condominiums near major arterials, employment centers, or activity centers.
High Density	RM-48	Highest density apartments and condominiums close to major arterials, freeways, and transit. Many are clustered in and around the Downtown Core.
Neighborhood Commercial	CO/CL	Highest density residential and mixed uses integrated in landscaped environment for offices and retail commercial developments.
Specific Plan Areas	Varies	Densities of up to 87 units per acre for residential, mixed-use, and live/work units that are transit-oriented and support employment centers in downtown and along major corridors.

Source: City of Pasadena, Land Use Element

### Specific Plan

In addition to the primary residential and commercial districts, the General Plan establishes seven specific plan areas. These areas accommodate higher density residential uses of 32 to 87 units per acre, with variations based on location and adjacent commercial and residential uses. Development standards within the plans vary depending on the location of the district and proximity to transit or activity nodes.

Beginning in 1994, the Pasadena General Plan allowed for a net addition of approximately 8,700 higher density market-rate units within the seven specific plan areas. As a means of encouraging development of affordable housing, the General Plan exempts the following from the specific plan caps: 1) low and moderate income ownership units; 2) low income rental units; and 3) affordable and market rate senior housing. Table 3-4 summarizes each of the Specific Plan areas.

**Table 3-4: Pasadena Specific Plan Areas**

Specific Plan Area	Housing Cap	Description of District
Central District	5,095	This Specific Plan creates a diverse mix of land uses for the City's primary business, financial, retailing, and government center. Encourages mixed use, transit oriented, live/work, and adaptive reuse for housing.
South Fair Oaks	300	This Specific Plan facilitates transition to a center for biomedical and technology development, building on the assets of Huntington Hospital and Caltech. Provides limited residential-type uses near the hospital.
West Gateway	1,016	This Specific Plan focuses on the arts, culture, and education aspects of the city by building upon the strengths of the Norton Simon Museum. Mixed-use development is proposed, along with historic preservation.
East Pasadena	500	This Specific Plan focuses on the commercial corridors of East Pasadena, and provides for multifamily residential development near the light rail station, including live/work spaces.
East Colorado	750	This Specific Plan identifies appropriate areas for mixed-use and commercial developments that will build off light rail, Pasadena College, and existing residential neighborhoods and business centers.
North Lake	500	This Specific Plan focuses on design standards and on identifying areas for mixed-use developments on North Lake, with an emphasis on a pedestrian-friendly environment, while buffering residential uses parallel to Lake Avenue.
Fair Oaks/Orange Grove	550	This Specific Plan encourages visual and physical unification within Northwest Pasadena, removal of barriers to business expansion, and neighborhood stabilization through the production affordable housing and adaptive reuse.
<b>Total Units</b>	<b>8,711</b>	

Source: Pasadena General Plan Land Use and Mobility Element

## HOUSING OPPORTUNITIES



Housing element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage and facilitate the development of various types of housing for all economic segments of the population. This section describes the housing opportunities available in Pasadena.

### CONVENTIONAL HOUSING

Table 3-5 shows the housing types permitted in Pasadena. The Zoning Code permits single-family and multiple-family housing by right in all residential districts except the RS districts, which are limited to single-family residential use. Residential and mixed-use projects are permitted as a by-right use in the CL, CO, and PS districts. Multiple-family residential housing, both apartments and townhomes, is also permitted by right in commercial and industrial districts and many of the City’s seven specific plan areas.

**Table 3-5: Conventional Housing Opportunities**

Residential Use	Residential Zoning Districts				
	RS	RM-12	RM-16	RM-32	RM-48
Single-Family	P	P	P	P	P
Multiple-Family		P	P	P	P
Factory Built/Mobile Homes	P	P	P	P	P
Second Units	P				
Dormitories/Fraternities/Sororities				P	P
Affordable Senior Housing		P	P	P	P
Residential Use	Commercial/Industrial Zoning				
	PS	CO	CL	CG	IG
Multiple-Family	C	P	P		
Mixed-Use		P	P		
Work-Live Units				C	
TOD Housing		P	P	P	P
Senior	C	P	P		
Life-Care Facilities	C		C	C	
Dormitories/Fraternities/Sororities	C		P		

Source: City of Pasadena, Zoning Code, 2008.

P = Permitted by right

C = Conditionally permitted

The City facilitates development of a variety of housing types for its diverse residents. For example, student housing (including fraternities, sororities, and dormitories) is permitted in various districts to meet the housing needs of the large student population in Pasadena. Senior projects and life-care facilities are allowed in various residential and commercial districts. Mobile homes and factory-built housing are permitted in all residential districts and the requirements for such housing (e.g., planning, permitting, reviews) are the same as other residential units in the same district.

### Transit-Oriented Development

In 2006, the City adopted standards to encourage transit-oriented development (TOD) within one-quarter mile of a light-rail station platform, and within the greater Central District Transit-Oriented Area. TOD is defined as a development within walking distance of a major transit stop designed for pedestrians without excluding motor vehicles. TOD can be new construction or redevelopment of one or more structures whose design and orientation facilitate transit use. Mixed-use TOD is permitted by right in commercial districts.



### Student Housing

Pasadena is renowned for its educational institutions, which collectively enroll more than 40,000 students. The City of Pasadena is home to four major colleges: Pasadena City College, Fuller Theological Seminary, Art Center College of Design, and the world-renowned California Institute of Technology. Numerous smaller private schools and colleges provide educational opportunities to people of all ages. The City allows student housing as a by-right use in many residential and commercial districts.



*Del Mar Transit Station is one of several TOD projects in Pasadena*

### Senior Housing

The City of Pasadena has a large senior population. To provide for adequate housing opportunities, senior housing is permitted in most residential districts. With the aging of the population, however, there is an increasing need to provide more of a continuum of care. This has led to the development of life-care facilities that provide independent, semi-independent, and assisted living.



*Regency Housing provides 48 independent life/care units*

In 2004, the City amended its Zoning Code to include life-care facilities and define them as an integrated facility that provides accommodations for, and varying level of care to seniors. Life-care facilities can provide a mix of independent living units, residential care facilities, and continuing care, Alzheimer and related facilities. Life-care facilities are conditionally permitted in the PS, CL, and CG districts. Currently, several Pasadena life-care facilities are expanding and offering more independent living units.

## Second Units



Second units are detached dwelling units that provide complete independent living facilities for one or more persons on the same parcel as a legal single-family residence. Second units offer several benefits. First, they typically rent for less than apartments of comparable size, and can offer affordable rental options for seniors, college students, single persons, and extended families. Second, the primary homeowner receives supplementary income by renting out a second unit, which can help many modest income and elderly homeowners remain in or afford their homes.

Assembly Bill (AB) 1866 (effective July 2003) requires local governments to use a ministerial process for second-unit applications, subject to reasonable development standards. In 2004, City staff held four neighborhood meetings, presented draft recommendations, and received comments regarding the proposed ordinance. The primary concerns voiced by the public related to additional traffic, increased density, massing of development, privacy issues, and potential loss of neighborhood character. In consideration of this input, the City Council adopted Section 17.50.275 of the Zoning Code to allow by-right provision of second units in RS districts, subject to the following:

- Minimum 15,000-square-foot lot requirement
- Owner occupancy in either the primary or second unit
- Requirement for second unit to meet existing standards for additions to single-family residences and provide two covered parking spaces
- Limitation on the size of second units to 800 square feet and 17 feet in height
- Establishment of a minimum 500-square-foot distance requirement between second units to avoid overconcentration
- Limitation on the maximum number of new second units to be allowed per year to 20, with no more than 200 allowed within a 10-year period
- Flexibility from development standards for the relocation of a historic home onto a property with an existing single-family residence

While second units can contribute to the housing stock in the community, it is important to also ensure the integrity of Pasadena's single-family residential neighborhoods. Pasadena's second unit ordinance is intended to allow for the development of second dwelling units where appropriate, while maintaining and protecting the essential character and integrity of its single-family residential districts.

Since adoption of the City's new second unit provisions in 2004, Pasadena has had only two applications for second units, although few applications were received prior to this time as well. While second units represent a relatively small component of Pasadena's overall affordable housing strategy, the City has included a program in the Housing Element to reevaluate the parameters of the current ordinance to better facilitate the provision of second units within the context of maintaining neighborhood character.

### SPECIAL NEEDS HOUSING

State Housing Element law, coupled with state and federal fair housing laws, encourage cities to provide a range of types of housing for people with special needs, including people with disabilities and individuals who are homeless or recovering from a wide range of experiences and are in need of specialized housing and supportive services. Several of these special needs groups were discussed in the prior section.

Table 3-6 and the following text describe the provision for housing for people with special needs in Pasadena. Special housing uses below are listed as permitted by right (P), conditionally permitted (C), or permitted via a minor conditional use permit (MC). Residential uses that are not specifically permitted as shown in Table 3-7 are prohibited.

**Table 3-6: Special Needs Housing Opportunities**

Residential Use	Residential Zoning Districts				
	RS	RM-12	RM-16	RM-32	RM-48
Residential Care, Limited	P	P	P	P	P
Residential Care, General			C	C	C
Boarding House*				P	P
Emergency Shelter					
Temporary Homeless Shelter with Religious Facility	C	C	C	C	C
Transition Housing		P	P	P	P
Single-Room Occupancy					
Residential Use	Commercial/Industrial Zoning Districts				
	PS	CO	CL	CG	IG
Residential Care, Limited		P	P		
Residential Care, General	C	C	C		
Boarding House*			P		
Emergency Shelter				MC	MC
Temporary Homeless Shelter with Religious Facility	C	C	P	P	
Transition Housing		P	P		
Single-Room Occupancy				P	

Source: City of Pasadena, Zoning Code, 2008.

Notes

P = Permitted by Right

MC = Minor Conditional Use Permit

C = Conditional Use Permit

\* Defined as a residence wherein three to five rooms are rented to individuals under separate rental agreements. Residents in a boarding house are not considered a family or single housekeeping unit

### Housing for Persons with Disabilities

The Lanterman Developmental Disabilities Services Act and Community Care Facilities Act, both codified in the California Codes, state that mentally, physically, or developmentally disabled children and adults who require supervised care are entitled to live in normal residential settings. In an effort to facilitate adequate housing

opportunities for people with disabilities, state law requires that licensed family care homes, foster homes, and group homes serving six or fewer persons be treated like single-family homes and be allowed by right in all residential districts.

The Pasadena Zoning Code designates two types of community care facilities—Residential Care Limited (serving six or fewer persons) and Residential Care General (serving seven or more persons). Residential Care is defined in the Zoning Code as a state-licensed facility providing 24-hour nonmedical care for persons in need of personal services, supervision, protection, or assistance essential for sustaining the activities of daily living. The Zoning Code permits Residential Care Limited homes by right in all residential districts in compliance with the Health and Safety Code. Residential Care General homes are conditionally permitted in residential and commercial districts.

Pasadena has 26 elderly care facilities, 16 skilled nursing facilities, 54 adult residential facilities, and 18 care facilities for children. However, due to a high existing concentration of uses in Northwest Pasadena, the General Plan Land Use Policy 14.5 prohibits establishing the following new uses in Northwest Pasadena (though expansion of an existing use is allowed): convalescent facilities, detention facilities, hospitals, adult day care (general), residential care facilities (general), and SROs. Residential care facilities (limited) are permitted as a by-right use there.



*Pasadena Accessible Apartments*

The Zoning Ordinance does not subject Residential Care Limited facilities to a use permit, building standard, or regulation not otherwise required of single-family homes in the same district, and imposes no spacing requirements between such facilities beyond those required by state law. The Zoning Code defines a family as two or more persons living together as a single housekeeping unit in a dwelling unit. However, this term does not include a boarding house. The Zoning Code does not specify limitations that would treat care facilities differently than other residential uses.

During the past planning period, the City has financially supported the development of many special need projects and deed restricted the units as affordable to lower income people. Projects have included: the Serra Rose project (for low income disabled seniors), the Wynn House (developmentally disabled adults) and the Navarro House for formerly homeless adults with disabilities. These are just a few examples of Pasadena's ongoing commitment to facilitate and encourage the development of care facilities.

### Boarding House/Group Homes

The City’s Municipal Code distinguishes between licensed and unlicensed group home facilities, and regulates unlicensed facilities as boarding houses. Consistent with the State Attorney General’s opinion (86 Ops. Cal. Atty. Gen. 30 [2003]), boarding houses are prohibited in single-family residential districts and allowed by right in all multiple-family residential districts subject to the City’s operational standards. However, Title 8.19 of the Pasadena Municipal Code, “Group homes for the disabled which are not licensed by the State,” provides reasonable accommodation procedures for boarding houses for the disabled, including allowances for location in all residential districts.

Pasadena permits facilities and group homes for children who have suffered from neglect, abuse, abandonment, and other serious conditions. Housing and services are also provided for at-risk youth. Major organizations providing services include Five Acres, Hillsides, Sycamore/Hathaway, and Rosemary’s Children. These facilities typically provide a range of housing and services, including residential care and education, mental health services, life skills counseling, foster care and adoptions, and domestic violence prevention.



*Hillsides Campus*

Group home for the disabled means any home, residence, facility, or premises that provides temporary, interim, or permanent housing to persons who are disabled—as defined in state or federal law—in a group setting where such home, residence, facility, or premises is not licensed by the state of California. The City has enacted distance requirements for group homes for the disabled and for all persons who own, manage, or operate them when such group home meets the definition of a boarding house and is allowed to locate in any RS district, RM-12, or RM-16 zoning district pursuant to a reasonable accommodation. The use shall not be located within 500 feet of any other boarding house or group home facility. State-licensed facilities that do not have separation requirements are not to be used in calculating the distance requirement.

The City actively facilitates the development of group housing for disabled persons, through both zoning and financial assistance. Villa Esperanza Services operates nine group homes in Pasadena for developmentally disabled adults, along with the recently renovated Villa Apartments. The City provided funding to United Cerebral Palsy for development of Pasadena Accessible Apartments, providing 13 very low income units for persons with disabilities. Pasadena’s policies have supported the creation of 79 residential care facilities licensed through the state, including 45 adult residential facilities, 21 facilities providing residential care for the elderly, and 13 group homes.

## Continuum of Care

Pasadena's 2007 one-night homeless survey identified 969 homeless individuals in the city, including 535 unsheltered homeless, 322 homeless people in emergency shelters, and 112 homeless people residing in transitional housing. The City's 2007 Continuum of Care Plan identifies an unmet need for 201 emergency shelters beds, 134 beds and 33 units of transitional housing, and 301 permanent supportive housing beds. The City facilitates three types of housing for people who are homeless.

## Emergency Shelter

The City defines emergency shelters as those that provide short-term lodging on a first-come, first-served basis for people who must vacate the facility each morning and have no guaranteed lodging for the next night. Emergency shelters may operate with a minor conditional use permit in the CG and IG districts, the Central District, and the CG and IG districts of the East Colorado, East Pasadena, and South Fair Oaks Specific Plans. Religious facilities may also operate a homeless shelter for temporary stays as a by-right use in the CL and CG districts and in portions of Central District. They may also operate a shelter in all residential districts, CO district, and parts of the Central District.

Pursuant to Senate Bill (SB) 2, jurisdictions with an unmet need for emergency shelters are now required to identify a zone(s) where emergency shelters will be allowed as a permitted use without a conditional use permit or other discretionary permit. The identified zone must have sufficient capacity to accommodate the shelter need, and at a minimum provide capacity for at least one year-round emergency shelter. Permit processing, and development and management standards for emergency shelters must be objective, be the same as other allowable uses within the zone where the emergency shelter is permitted, and facilitate the development/conversion to, emergency shelters.

The City has identified two zones—Light Industrial (IG) and Central District (CD-6)—as appropriate and adequate locations to accommodate emergency shelters. As of January 2009, these districts offer 125 acres of appropriately zoned land that provide opportunities for construction and/or modification of buildings for emergency shelters. Both districts offer sites near public transportation and access to Passageways on Arroyo Parkway, the designated intake and counseling center, and to medical facilities. The development standards in the commercial and industrial zones are more suitable for emergency shelters than in residential areas, and Pasadena's success in providing assistance to people who are homeless demonstrates the appropriateness of the locations.

The Housing Element proposes the development of a zoning overlay within the IG and CD-6 zoning districts. The overlay boundaries will be drawn to encompass underutilized sites that are accessible to transit, public services, and other supportive services. Within this overlay zone, emergency shelters will be allowed as a by-right use. The City will also specify written, objective standards to regulate aspects of emergency shelters to enhance compatibility as allowed under Senate Bill 2. Where permitted, these uses need to be treated like any other commercial or industrial uses in the same zone. These codes will be adopted within one year of adoption of the Housing Element.



*Union Station Foundation*

### Transitional and Supportive Housing

Pasadena’s Zoning Code defines transitional housing as a facility that provides housing at no cost for individuals in immediate need of housing in which residents stay longer than overnight. Such housing may include support services such as emergency medical care, and employment and housing counseling provided that the total area in the home dedicated to supportive services does not exceed 250 square feet. Transition housing is treated as a residential use and is permitted by right in multiple-family districts, several commercial districts, and specific plan areas (namely, the CO and CL districts, and Central District, East Colorado and East Pasadena Specific Plans).

Supportive housing is generally defined as permanent, affordable housing that is linked to on-site or off-site services and is occupied by a target population. Services typically include assistance to help residents transition into stable, more productive lives, and may include case management, mental health treatment, and life skills counseling. Pasadena allows permanent supportive housing as a residential use, provided supportive services are ancillary to the primary use and comprise no greater than 250 square feet. Supportive housing is available to homeless people, including those with HIV/AIDS.

Pasadena supports the provision of transitional and permanent supportive housing for homeless and special needs populations. Current transitional housing projects in the city include: Euclid Villa, Union Station Transitional Housing, Casa Maria, Grandview House; and Marengo House, providing a total of 118 transitional housing beds. Permanent supportive housing facilities include CHOISS 1 & 2 homes for people with HIV/AIDS, Navarro House, Shelter Plus Care, Hestia House, and New Revelation Apartments, which together provide a total of 127 supportive housing beds.

### Single-Room Occupancy

Pasadena’s Zoning Code defines a Single-Room Occupancy (SRO) Facility as “a facility where each unit has a minimum floor area of 150 square feet and a maximum floor area of 220 square feet. These dwelling units may have kitchen or bathroom facilities and shall be offered on a monthly basis or longer.” Section 17.50.300 of the Zoning Code establishes standards for SROs, and permits SROs by right within the CG district. In addition, existing nonconforming SROs in the CL district are permitted to be altered to comply with the City’s SRO development standards without obtaining a conditional use permit. Several of the City of Pasadena specific plans identify SROs as a permitted use.

The City’s Zoning Code continues to facilitate the production or conversion of uses to SRO units that are affordable to Pasadena’s very low and extremely low income households. Key development incentives include provisions for small unit sizes (150–200 square feet), and reduced parking at a ratio of 1 space per unit or 1 per 4 units for affordable SROs. One example is Centennial Place, an adaptive reuse of the City’s historic YMCA that was converted into a 144-unit SRO in partnership with the Los Angeles Community Design Center. The project serves residents transitioning from or at risk of homelessness, and provides on-site supportive services. A new SRO project was constructed during the planning period near Pasadena City College.



*Euclid Villa Project*



*Casa Maria Supportive Housing*

## RESIDENTIAL DEVELOPMENT STANDARDS

Land use policies in the City's General Plan are implemented primarily through the Zoning Code. The Zoning Code is designed to protect and promote the health, safety, and general welfare of residents, which includes preserving the character and integrity of established residential neighborhoods. To that end, the City has established specific development standards that apply to residential construction in various districts. Table 3-7 provides a summary of the most pertinent codes affecting residential development.

### Development Standards

The Zoning Code accommodates a range of housing types and densities in Pasadena. Within RS districts, single-family homes with private open space are allowed from 1 to 6 lots per acre. The RM-12 through RM-16 districts allow multiple-family housing at up to 16 units per acre. In Pasadena's urban core, specific plans permit multiple-family housing densities of 60 units per acre, with up to 87 units per acre permitted in portions of the Central District Specific Plan. Residential development is permitted by right in the CO and CL commercial districts, both as mixed-use and residential-only.

**Table 3-7: Residential Development Standards**

Development Standards	Zoning Districts			
	RS	RM-12	Urban in CD**	Mixed-use in CO, CL, CD
Minimum Lot Area	1/6–1 acre	7,200 sf	No Minimum	No Minimum
Maximum Lot Coverage	35%	35%	N/A	N/A
Minimum Lot Width	55–100	55	N/A	N/A
Maximum Density	1 unit per lot	2 units per lot	48-87	48-87
Maximum Height	2 stories	2 stories	4–5 stories	4–5 stories
Front, Rear, Side Yard Setbacks	25', 25', 5'–10'	25', 10', 5'–10'	30% of net floor area	150 square feet per unit
Minimum Unit Size	None	None	None	None
Development Standards	Higher Density Zoning Districts			
	RM-16*	RM-32* CL	RM-48* CO	
Minimum Lot Area	7,200 sf	10,000	10,000	
Minimum Total Garden Space	32-37	29-37	29-37	
Minimum Lot Width	75	60	60	
Maximum Density	16 units*	32 units/acre	48 units/acre	
Maximum Height	2 stories	2–3 stories	3 stories	
Open Space Setback Front, Rear, Side Yard	20', 0'–5', 5'	20', 0'–5', 5'	20', 5'–15', 5'	
Minimum Unit Size	None	None	None	

Source: City of Pasadena, Zoning Code, 2008.

\* Gardens Standards apply to multiple-family projects in these districts.

\*\* Generalized standards only. There are slight differences within different subdistricts.

## Parking Standards

Parking standards are critical to encourage circulation by modes other than automobiles, prevent traffic congestion caused by shortage of parking spaces, to maximize efficiency, protect the public safety, provide for the special needs of the physically handicapped, and, where appropriate, insulate surrounding land uses from their impact. City parking standards are designed to ensure that sufficient on-site spaces are available to accommodate vehicle ownership rates of residents, the needs of the businesses, and the actual parking required for special needs housing, while encouraging use of other modes. Table 3-8 sets forth the general standards for off-site parking requirements.

**Table 3-8: Parking Standards**

Residential Use	Basic Requirement	Regulatory Concessions
Single-Family	2 covered spaces in a garage or carport per unit	None
Second Units	2 covered spaces in a garage or carport per unit	None
Multiple-Family and Mixed-Use	2 covered spaces/ unit >650 sf; 1 covered space for smaller units	For transit-oriented district area of Central District and projects within ¼ mile of light rail station, 1.5 to 1.75 spaces per units for units larger than 650 square feet; 1–1.25 for smaller units
Work-Live Units	3 parking spaces per 1,000 square feet	Shared parking with nonresidential uses allowed with minor conditional use permit
Emergency Shelter	1 space for every four beds	None
Student Housing & Boarding House	1 covered space for every 3 habitable rooms	None
Single-Room Occupancy	1 space per units plus two spaces for resident manager	Reduce parking space requirement from 1 per unit to 1 per 4 units for affordable SROs
Transition Housing	2 covered spaces in a garage or carport per unit	None
Senior Housing	2 covered spaces/unit >650 sf; 1 covered space for smaller units	Reductions to no less than 0.5 spaces/unit with minor conditional use permit

Source: City of Pasadena, Zoning Code, 2008.

Pasadena's parking space requirements are generally two spaces per unit, and generally match the vehicle ownership patterns and parking needs of residents. The guest parking space requirement of one space per ten multiple-family units is very low. However, parking space reductions are provided for uses that have lower parking needs, such as senior housing, special needs housing, and multiple-family uses near light rail. Furthermore, at the request of the applicant and pursuant to compliance with state density bonus law, the City will permit an alternative parking ratio (inclusive of handicapped and guest parking) and other parking incentives. Because of this flexibility, parking is not a constraint to the development of housing and special needs housing.

### City of Gardens Standards

The City of Gardens Standards refers to the residential development and open space standards for constructing multiple-family housing projects in Pasadena. These standards are an innovative set of zoning regulations that encourage designs that typify the garden character of earlier apartments and bungalow courts in Pasadena. The garden standards are designed to ensure that high-density apartments and condominiums incorporate landscaped common open space rather than concrete interiors and bulky mass designs.



The City of Gardens regulations apply to all RM (multiple-family residential) district projects that include three or more dwelling units in portions of certain specific plan areas and residential projects in the CL (limited commercial) and CO (commercial office) districts. However, the City of Gardens standards do not apply to the RM-12 district (which permits two units on a multi-family lot), mixed-use projects, and projects within portions of specific plan areas. The single-family residential (RS) standards are applied to new single-family residences and additions to single-family residences.

The Garden standards are structured to emphasize multiple-family projects with landscaped open space as the central focus. This open space may take the form of a main garden, private garden, or landscaped court. As shown in Table 3-9, the primary garden is to occupy 17 to 20 percent of total site area and provide coherent, useable open space for residents. The total site area dedicated to landscaped open space is 35 percent in the RM-16 district, half of which is in the primary garden. For RM-32 and RM-48 districts, the required dedication to landscaped open space varies from 29–37 percent, again with the primary garden comprising at least half of the open space requirement.

**Table 3-9: Garden Standards**

Lot Area	Zoning Districts		
	RM-16	RM-32	RM-48
<b>Density</b>			
• Lots <10,000 sf	1 to 4 units	6 or less units	6 or less units
• Lots > 10,000 sf	4 or more units	7 or more units	10 or more units
<b>Height (stories)</b>			
• Lots <60 feet in width	2 stories	2 stories	3 stories
• Lots > 60 feet or greater	2 stories	2–3 stories	3 stories
Total Garden Area			
• Minimum Garden Space (percentage of site area)	32–37%	29–37%	29–37%

Source: City of Pasadena, Zoning Code, 2008.



Another key feature of the program is density and height incentives. To encourage an appropriate scale of development and consistency of character, density is tailored to lot size. For small lots less than 10,000 square feet, the densities range from 2 to 6 units depending on lot size lots in the RM districts. In the RM-16 district and on lots less than 60 feet in width in the RM-32 district, the maximum height of structures is generally two stories. However, for lots of 10,000 square feet or more, the minimum allowable units is 10 units, which automatically triggers the City's 15 percent inclusionary requirements and new apartments can be built at up to three stories in height.

In 2003, the City commissioned a study to assess the effectiveness of the ordinance in achieving its stated objectives, and to address any impediments to the construction of multiple-family housing. The study prepared 10 case studies of City of Gardens projects dispersed within the four quadrants of the City. Comparison of built densities to the maximum permitted under zoning illustrates one project in each of the three multiple-family residential districts built to the maximum density, with two additional projects built at approximately 95 percent of the density limit. However, several of these projects required a zoning variance to enable achievement of the permitted density.

Pursuant to the findings of the study, combined with review by the public, City of Gardens Committee, and City decision makers, the following three major amendments were made to the City of Gardens ordinance:

- Allowances for surface parking beyond the rear 40 percent of the project site and allowances for greater building height on lots greater than 60 feet in width.
- Increased flexibility in the shape and location of the main garden to allow for enhanced siting of structure.
- Adjustments to address the impacts of three-story buildings adjacent to RS single-family residential districts.

The sustained high levels of residential development in multifamily districts indicates that the City of Gardens standards have not constrained total housing production. In fact, the November 2005 Ordinance amendments have better enabled projects to achieve maximum densities and provide greater flexibility in design. Analysis of 14 multifamily residential projects submitted for City of Gardens preliminary plan check shows that the majority nearly achieved maximum density: four of five RM-16 projects were at maximum density; all seven RM-32 projects were built to at least 90 percent of maximum density, and one RM-48 project was built at maximum density. Moreover, none of these projects required a variance to the City of Gardens standards.

Therefore, because of the significant lot consolidations incentives (e.g., density and height) in the multiple-family residential districts, the significant level of recycling of sites in such districts, and recent changes that provide incentives, the Gardens Standards are not deemed to be a constraint to the production of multiple-family housing.

## Historic Preservation

The City of Pasadena is widely known for its rich collection of historic properties and historic neighborhoods. In all areas of the community, the presence of architecturally distinguished buildings impart an attractive character to residential neighborhoods and to business districts. The City's historic resources also serve as tangible reminders of the eventful history of the community. They are a source of civic pride and of economic productivity, drawing residents, tourists, shoppers, and businesses.

Since 1969, Pasadena has implemented a formal program with historic preservation ordinances and a Historic Preservation Commission. Pasadena contains eight districts listed on the National Register of Historic Places, including a historic overlay district covering much of the Central District Area. Pasadena now has 17 local landmark districts; the largest ones are Bungalow Heaven, Historic Highlands, North Pasadena Heights, Garfield Heights, and Washington Square.



The City's Municipal Code provides for the protection of locally designated landmarks and landmark districts through a design review process. Designated landmarks and properties within a landmark district must obtain a Certificate of Appropriateness (COA) prior to obtaining a building permit for alterations, additions, relocations, demolitions, or new construction. Depending on the nature of the project, the COA may be granted by staff or may require review by the Historic Preservation Commission.

The City's Historic program, reinforced by policies and programs in the General Plan, sets forth the City's strategy for preserving Pasadena's unique heritage and improving the quality of neighborhoods. The City offers the following incentives for preservation:

- Rehabilitation or adaptive use of multifamily residential projects subject to the City of Gardens standards may qualify for a waiver of the size of the main garden, required parking, and modulation of exterior walls.
- Allows some buildings with insufficient on-site parking to remain exempt from current parking requirements and waive the need to apply for a variance or acquire off-street parking, even when rehabilitated or placed in a different use.
- Property owners of single-family homes within landmark districts proposing additions may qualify for a waiver of the zoning requirement for two covered parking spaces.
- Property owners of designated historic properties can enter into a Mills Act contract with the City to reduce their property taxes in exchange for improvements that maintain the historic character of their property.

## FACILITATING AFFORDABLE AND ACCESSIBLE HOUSING

To facilitate and encourage the development of housing that is affordable and accessible to special needs groups and lower income individuals and families, Pasadena offers a density bonus program, inclusionary housing ordinance, modified development standards to facilitate affordable housing, and a reasonable modification program. These incentives, described below, facilitate production of affordable and accessible housing.

### Density Bonus

In July 2006, the City adopted a new density bonus ordinance to conform with Government Code Section 65915. Applicants of multifamily residential and mixed-use development projects of five or more units are entitled to a density bonus if the project provides for construction of one of:

- at least 5 percent of the total units dedicated to very low income households;
- at least 10 percent of units dedicated to low/very low income households;
- at least 10 percent of for-sale units dedicated to moderate income households; or
- at least 35 units available exclusively to persons aged 55 and older.

The density bonus generally ranges from 20–35 percent according to the amount by which the percentage of affordable housing units exceeds the minimum percentage in state law. The City provides for further density bonuses of up to 50 percent in the Central District for increased percentages of affordable units; TELACU affordable senior housing utilized the 50 percent bonus. Density bonus requests do not require discretionary approval by the City, with the exception of bonuses exceeding 35 percent in the Central District, which require a conditional use permit. Eligible projects may also receive 1 to 3 concessions or other development incentives, depending on the proportion of affordable units and level of income targeting as set forth in state law.

The City of Pasadena requires that applicants seeking concessions or incentives under density bonus law complete an application for an Affordable Housing Concession that includes sufficient economic information on the project to demonstrate the concession or incentive is required for the designated units to be affordable. The Affordable Housing Concession Permit is processed the same as a Minor Variance, and is placed on the consent calendar for the Hearing Officer, unless a hearing is specifically requested. The Affordable Housing Concession Permit uses the “findings” given in the state density bonus/concession statute, not the minor variance findings.

The City of Pasadena has a strong history of residential projects utilizing density bonuses. Since adoption of the Inclusionary Housing Ordinance in 2001, numerous projects have taken advantage of density bonus incentives in conjunction with providing on-site affordable inclusionary units. During the current Housing Element planning period (beginning in January 2006), eight density bonus projects have already been developed or are under construction, providing 125 affordable units.

## Inclusionary Housing

Although nongovernmental constraints to housing production are market-driven and outside direct government control of a single city, localities can offset to varying degrees the impact of market constraints through responsive programs and policies. One such program adopted by over 100 jurisdictions across the State of California is inclusionary zoning, which requires developers to provide a specific percentage of units in each new development as affordable to low and moderate income households. The City of Pasadena adopted its Inclusionary Housing Ordinance in July 2001.

Pasadena’s inclusionary housing ordinance (IHO) requires that residential and mixed-use projects of 10 or more units dedicate 15 percent of the units as affordable to low and moderate income households. Apartments are required to have at least 10 percent of the inclusionary units affordable for lower income households, and ownership projects are permitted to fulfill the inclusionary requirement with moderate income units. As an alternative to constructing the inclusionary units, a developer may choose one of three options: 1) construct the required units on another site; 2) donate another site for a portion or the total number of units, or 3) pay a fee in lieu of building the units.

A primary goal of the City’s IHO is to encourage developers to construct the inclusionary housing units within market rate residential projects. However, when the City initially adopted the ordinance in 2001, in-lieu fees were established at 75 percent of the cost of developing the affordable units to ensure that inclusionary requirements did not constrain the production of housing. As a result, the majority of developers elected to pay the fee rather than provide the units. In 2005, the City conducted an evaluation of the ordinance and raised the in-lieu fees to “full cost recovery” to encourage the production of inclusionary housing units on-site.

Recognizing that housing costs vary considerably in Pasadena, inclusionary in-lieu fees vary according to market rents and sales prices in subareas of Pasadena (Table 3-10). For instance, in Subarea A, the difference between market and affordable rentals is \$1 per square foot, whereas in Subarea C, the rent differential varies between \$22 and \$31 per square foot. The boundaries of SubArea B include Northwest Pasadena, where land and overall development costs have historically been lower. Therefore, the fees (which are based on the expected sales prices and rents) are generally lower in SubArea B. This differentiation of the in-lieu housing fee by subarea supports the City’s policy to encourage a wider integration of affordable units throughout the community.

**Table 3-10: Inclusionary Housing In-Lieu Fees**

Subarea	For Rent		For Sale	
	10–49 units	50+ units	10–49 units	50+ units
A.	not determined		\$39.33	\$54.86
B.	\$1.04	\$1.04	\$14.49	\$19.67
C.	\$22.77	\$31.05	\$23.81	\$33.12
D.	\$20.70	\$28.98	\$18.63	\$25.88

Source: City of Pasadena, 2008.

To ensure that the inclusionary housing program encourages and facilitates the production of affordable housing, developers are offered significant flexibility in meeting their inclusionary requirements. Important provisions are as follows:

- **Flexibility by Housing Type:** For-sale projects are allowed to provide any combination of low and/or moderate income units. Rental products must provide at least 10 percent of the units affordable for low income households, with the remainder provided as either low or moderate income units.
- **Flexibility by Substitution of Units:** Developers may receive greater credit for providing a higher level of affordability as follows: a very low income unit can be substituted for 1.5 low income units or 2 moderate income units. Each low income unit can be substituted for 1.5 moderate income units.
- **Reduced Residential Impact Fees:** As an incentive to provide affordable units on-site, park impact fees on affordable units are reduced to only \$756 per unit, adjusted for the CPI, compared to \$14,500–\$27,000 per market rate unit, with the impact fee on all other units in the development reduced by 30 percent.
- **Modified Standards for Affordable Units:** The ordinance provides flexibility in alternative materials and finished quality of habitable spaces for all the affordable units, allowing significant cost savings that make it more feasible to provide affordable units.
- **Provision of Financial or Regulatory Incentives:** For projects subject to the inclusionary ordinance, the developer may request one or more of the following incentives: 1) density bonus; 2) fee waivers; 3) financial assistance; or 4) additional incentives on a case-by-case basis.

Pasadena's IHO has been highly successful. As of March 2008, 53 residential projects, either completed or under construction, have been subject to the City's inclusionary requirements. Of these, 19 projects have provided 326 deed-restricted rental units and 22 deed-restricted ownership units. The City's Housing Division projects another 132 inclusionary units will be under contract by mid-2008, including 121 rental units and 11 ownership units. Residential projects electing to pay the in-lieu fee have generated \$13.2 million in Housing Trust Fund revenues since the program's inception in 2001. An additional \$2.1 million is anticipated by July 2008.

The IHO has not constrained the production of market rate or affordable housing in Pasadena. The ordinance is flexible and market sensitive, with fees tailored to specific parts of the city and multiple options for requesting concessions to offset the cost impact. City staff reports that no developer has withdrawn a project because of the requirements. The City continually monitors the effectiveness of the ordinance and expenditure of Inclusionary Housing Trust Funds, including preparation of a Biennial Inclusionary Housing Performance Assessment, for the City Council. Thus, the IHO does not constrain housing production at a level that would preclude the City from achieving its Regional Housing Needs Assessment (RHNA) goals for the 2008–2014 planning period.

### Standards for Urban Housing and Mixed-Use Projects

Pasadena's land use framework is designed to focus housing in areas of the community that can best accommodate residential growth and reduce transportation demands. Urban housing and mixed use are a key strategy in Pasadena to further its housing, economic, mobility, air quality, and neighborhood stabilization goals in the community. To achieve these ends, the City has adopted development standards for Urban Housing and Mixed-use projects. These standards have facilitated the construction of more than 1,000 mixed-use housing units in the Central District and other specific plan areas.

The City's Urban Housing and Mixed Use Standards are intended to provide greater flexibility appropriate for downtown and commercial districts, such as the Central District and North Lake Avenue Specific Plan. The regulatory framework contains incentives that encourage the production of housing, including affordable housing:

- **Regulatory Concessions.** The Urban Housing standards allow densities of 48-87 units per acre due to flexibility in height limits, setbacks, and floor area ratios. These standards allow flexibility in open space in part by balconies, as well as by rooftop gardens, private patios, and setbacks that are provided greater than required. Because open space can be provided by nontraditional means, projects can achieve higher densities and more affordable units.
- **Density/Intensity Incentives.** Typically, new mixed use and urban housing in the Central District has ground-floor commercial space and three or four stories of housing above it. Residential and mixed-use developments, like development generally in the CD districts, have floor area ratios that vary from 1/1 to 3/1 but often achieve at least a ratio of 2/1. The floor area ratios have helped to accommodate new housing at densities from 48 to 87 units.
- **Affordable Housing Incentives.** Mixed-use projects greater than 10 units are subject to the City's inclusionary requirements. Given that developers often seek to maximize density in specific plan areas and the inclusionary requirement can satisfy state density bonus law, mixed use projects often achieve very high densities and, as a result, offer more affordable units. The high level of affordability oftentimes results in fee waivers as well.
- **Permit Process.** A conditional use approval is required for nonresidential projects (or the nonresidential portion of a mixed use project) that exceed an established square feet of gross floor area. A CUP requires a public hearing and review by the Hearing Officer. Following a hearing, the review authority may approve, conditionally approve, or disapprove an application for a CUP. Of the 22 mixed use projects credited toward the 2006–2014 RHNA, only two project triggered the CUP requirement and both projects were approved.

Taken together, the Urban Housing and Mixed Use standards facilitate and encourage the production of a significant amount of affordable and market rate housing as well as provide other air quality, transportation, and other benefits to the community.

### Reasonable Accommodation and Modification

The California Attorney General's Office has issued several memorandums to all local governments advising them to review their municipal codes and administrative practices to ensure that they allow for reasonable modifications and accommodations in keeping with the intent of state and federal fair housing law. The City has three procedures to implement state and federal fair housing law and to ensure housing opportunities for people with disabilities. These processes are summarized below and in Table 3-11.

- **Building Codes.** The City of Pasadena complies with the standards and processes contained and described in the current California Building Code with respect to housing for people with disabilities. Every three years, the California Building Codes are updated (including processes and codes affecting housing for people with disabilities) and the City adopts these codes.
- **Land Use Classification.** The Pasadena Municipal Code has been amended over time to eliminate differentiation between housing for people with disabilities and housing for people without disabilities. For example, two projects for people with disabilities were approved and built as multiple-family housing (e.g., the 21-unit Ashtabula and the 13-unit Rio Grande projects).
- **Zoning Standards.** The City grants modifications to zoning standards to accommodate individuals with disabilities. The process complies with the application, notice, and hearing requirements for a minor variance. Unlike the strict site-related findings of a variance, the review authority may approve a modification with only findings specific to a reasonable accommodation: 1) the individual requesting the modification is disabled; 2) the request modification is necessary by State or Federal laws to avoid discrimination... and; 3) necessary conditions have been imposed to ensure that the modification is not detrimental to public health and safety. A recent example is allowance for a home addition without requiring compliance with the two covered parking space requirement.

**Table 3-11: Reasonable Accommodation**

	<b>Building Standard Modification</b>	<b>Land Use Classification</b>	<b>Zoning Standard Modification</b>
Types of Requests	Application of building code to new construction	Appeal of determination of land use classification	All standards, except gross floor area, lot coverage, density
Process	Prescribed in the 2007 California Building Code	Request for appeal of Zoning Code interpretation	Modification for people with disabilities
Decision Maker	Building Official	Board of Zoning Appeals	Hearing Officer
Public Hearing Required	No public hearing; not publicly noticed	Publicly-noticed meeting, but not a public hearing	Publicly-noticed; hearing if requested
Findings or letter for approval	Pursuant to 2007 California Building Code	No findings required – letter of determination	<u>Findings related to the existence of a disability</u>
Appeal Authority for Decision	Pursuant to California Building Code	City Council	Board of Zoning Appeals-City Council

City of Pasadena, 2009.

## PERMIT PROCEDURES

The City of Pasadena has established the Planning and Permit Center directly across the street from City Hall. The Permit Center on the first floor is organized to help developers secure all necessary permits in a one-stop environment. At the Permit Center, developers can obtain nearly all of the needed permits for their project. The City's development review process can be summarized in the following steps:



### Normal Development Review

Proposed residential projects are subject to an initial determination of whether a project requires 1) preapplication conference; 2) discretionary permit, 3) legislative approval; or 4) other special review. Most single-family homes and multifamily projects under nine units do not require any of the aforementioned reviews, although multifamily projects of three to nine units are subject to staff-level design review. Using application packets available on the City's website, applicants can readily assess the appropriate documentation that needs to be submitted for project reviews.

### Predevelopment Plan Review (PPR)

The PPR applies to multiple-family projects larger than nine units, projects with over 25,000 square feet of nonresidential floor area, projects of community-wide significance, and projects within a specific plan area, if needed. PPR is a preliminary evaluation conducted by City staff to provide input on requirements for a project before submittal of a development application to the City. A case manager is assigned to guide the development project through PPR and plan approval. PPR takes approximately four to eight weeks from inception to completion.

### Preliminary Plan Check

Multiple-family housing projects following the City of Gardens standards are reviewed in Preliminary Plan Check, an early determination of any changes that must be made to comply with the standards. City staff reviews the plans and discusses all necessary changes with the applicant, who then revises the drawings for a second review prior to submittal of a development application. The initial review, corrections, and second review typically take eight weeks. This review step is essential to developers wishing to build in the city's RM districts and receive guidance on the Garden Standards.

### Discretionary Permit

Certain development projects may require a conditional use permit and/or a variance. Typically, multiple-family residential projects are allowed as a by right use. However, a mixed-use project that includes more than 25,000 square feet of nonresidential development is a major project that requires a conditional use permit (CUP), which



requires approval by a hearing officer after a public hearing. However, deviations not exceeding 25 percent of the development standard may be processed as a minor variance and approved by a hearing officer without public hearing unless it is requested. Larger deviations require a major variance, public hearing, and approval by a hearing officer.

### **Commission Review**

Residential projects may also require approvals by various commissions, depending on the age, location, scale, and use proposed. The time frames for review vary according to the project complexity, lead time to notice a public hearing, time to make a ruling, and appeal provisions. The Design Commission or City staff may review development applications for compliance with City design guidelines. Design review can take six months to complete, including Concept Design Review and Final Review. Discussed later, Consolidated Design Review reduces the time for project review. The Historic Preservation Commission reviews development applications in historic neighborhoods. Finally, the Community Development Committee has authority to review and approve concept plans for affordable housing subsidized by the City.

### **Plan Check/Permit Issuance**

Once the residential or mixed use project is approved by the necessary Commission and review bodies, the project is moved through the plan check stage and permit issuance. This involves verification that the project fully complies with City building, zoning, fire, mechanical, plumbing, electrical, and health codes. The time frame for this stage varies with the size, complexity, and location of the project. Generally, it is estimated that plan check requires one to two months to complete, but corrections and second submittals are normal and can increase the time required to complete plan check.

For a single-family residence on a legal lot, the process typically requires only plan check, without discretionary review and design review. Plan check review requires approximately four weeks for City departments to either approve the drawings as submitted or to indicate what corrections are required. After changes are made by the applicant, the City's recheck is usually accomplished in two to three weeks. The cumulative timeframe is generally no more than eight weeks from application submittal to permit issuance, unless the project is built in a historic district and subject to review.

Multiple-family project approval depends on the environmental review process and mandated time frames, and the qualifications of the applicant. Typically, multiple-family projects can take approximately eight weeks for PPR and plan project review up to twelve weeks for design review, eight weeks for changes following design review, and six weeks to finalize the application prior to issuance of building permits, for a total time commitment of eight months. Residential projects larger than 25 units typically require a greater level of design review that adds approximately two months to the process. If environmental review is required (e.g., initial study and negative declaration), an additional two months is required to comply with state regulations.

## DESIGN REVIEW PROCESS

As an urban city, Pasadena has limited vacant land; new residential development often includes the demolition of existing structures and the construction of higher intensity uses, often in established multi-family residential neighborhoods or mixed-use commercial districts. In this context, it is critical to ensure new development is compatible with existing land use patterns. Pasadena has thus established a design review process to encourage excellence in architectural design, enhance the visual environment, and ensure that development is compatible with surrounding land uses.

The Citywide Design Principles in the Land Use Element are the foundation of all design reviews. To provide clear guidance to developers and reviewing authorities, the City has adopted design guidelines that fall into one of four categories: Citywide, specific areas, specific uses, and historic properties. The design guidelines work in concert with the development standards in the Zoning Code or Specific Plan. However, unlike development standards, which are mandatory, design guidelines are applied with flexibility to foster creativity, and strict adherence is not required for project approval.

Design Review consists of the following three stages:

- **Preliminary Consultation.** The preliminary consultation is an informal discussion between the City staff and the applicant to explain the design guidelines and procedures that will apply to the project, and to discuss compliance of the project with the guidelines. This step is designed to expedite the design review process by communicating clear expectations at the onset.
- **Concept Design Review.** This stage involves an application submittal that addresses the basic project design, including compatibility with surroundings, massing, proportion, siting, and compliance with applicable design guidelines. Depending on scope and location, concept review may be conducted at the staff level, or as a public hearing before the Design Commission.
- **Final Design Review.** Final design review focuses on construction details, finishes, materials, landscaping, and consistency of the project with the design approved during concept design review. The Director maintains authority for final design review, unless the Design Review Commission, acting as review authority during concept review, requires it also conduct final design review.

Depending on the scale, location, and sensitivity of projects, review may be conducted by City staff or the Design Commission. Projects of three to nine units are generally reviewed by City staff, while the Design Commission reviews larger projects or those in the Central District and certain other zoning districts in Pasadena. However, projects within a designated landmark or historic district (outside of the Central District) are reviewed by the Historic Preservation Commission. As an alternative to a separate concept and Final Design review, an applicant may select as single consolidated review. The design review process can take four weeks to six months depending on complexity, responsiveness of the applicant, and whether it is subject to City of Gardens Standards.

## VARIANCE



A variance is a request for a deviation from the Zoning Code for a particular development standard because of unusual circumstances associated with a particular site, such as topography, shape, or other characteristic. Some examples of the types of variances requested are for building height and parking. No variances to the land use classifications of the Zoning Code are allowed. Variances require noticed public hearings with a review by the Zoning Hearing Officer. A decision to approve or deny an application is based on the findings of fact contained in the Zoning Code.

A minor variance is a form of variance intended for adjustments that are determined to have lesser (minor) potential impacts and therefore require a modified review process. The following applications for adjustments from the applicable development standards may be processed as a minor variance: 1) yard setback requirements, with no limit on percentage of deviation; 2) size of landscape areas in multifamily districts (including City of Gardens projects); 3) fence/wall height, with no limit on percentage of deviation; 4) building heights (not to exceed 10 feet above requirement or 5 feet in an HD overlay district); and 5) other development standards specified in PMC 17.61.080(C).

The difference between a minor variance and a variance is in the process. A variance requires a noticed public hearing with a review by the Hearing Officer. A minor variance can be reviewed by staff and approved by the Hearing Officer without a public hearing unless a hearing is requested by an interested party or the applicant. Public notices are mailed to property owners within a designated radius. If a hearing is held, the Hearing Officer conducts the hearing in compliance with Chapter 17.76.

Following a public hearing, if required, the review authority may approve a variance (major or minor) application, with or without conditions, only after first finding that:

- There are exceptional or extraordinary circumstances or conditions applicable to the subject site that do not apply generally to sites in the same zoning district.
- Granting the application is necessary for the preservation and enjoyment of a substantial property right of the applicant and to prevent unreasonable property loss or unnecessary hardship.
- Granting the application would not be detrimental or injurious to property or improvements in the vicinity of the subject site, or to the public health, safety, or general welfare.
- Granting the application is in conformance with the goals, policies, and objectives of the General Plan, and the purpose and intent of any applicable specific plan and the purposes of the Zoning Code, and would not constitute a grant of special privilege inconsistent with limitations.
- Cost to the applicant of strict compliance with a regulation shall not be the primary reason for granting the variance.

## CONDITIONAL USE PERMIT

Conditional use permits are required for uses typically having unusual site development features or operating characteristics requiring special consideration so that they may be designed, located, and operated to be compatible with neighboring properties. The Municipal Code provides for the review of the configuration, design, location, and potential impacts of the proposed use in order to evaluate the compatibility of the proposed use with surrounding uses, and the suitability of the use to the site. Conditional uses are divided into two types—major and minor.

The difference between a conditional and minor conditional use permit is the process. A CUP requires a public hearing and is reviewed by the Hearing Officer. A minor CUP is reviewed by Planning staff and a letter is written informing the applicant of the draft findings and any recommended conditions of approval. Public noticing of the hearing or review is the same for both processes. If an interested party requests a hearing, it is held before the Hearing Officer. Following a hearing, the review authority may approve, conditionally approve, or disapprove an application for a CUP. The review authority may approve a conditional use permit (major or minor) only after first finding that:

- The proposed use is allowed with a conditional use permit in the applicable zoning district and complies with all applicable provisions of the Zoning Code.
- The location of the proposed use complies with the special purposes of the Zoning Code and the purposes of the applicable zoning district.
- The proposed use is in conformance with the goals, policies, and objectives of the General Plan and the purpose and intent of any applicable specific plan.
- The establishment, maintenance, or operation of the use would not, under the circumstances of the particular case, be detrimental to the health, safety, or general welfare of persons residing/working in the neighborhood of the proposed use.
- The use, as described and conditionally approved, would not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the City.
- The design, location, operating characteristics, and size of the proposed use would be compatible with the existing and future land uses in the vicinity in terms of aesthetic values, character, scale, and view protection.

The CUP process has not constrained the production of mixed-use projects in Pasadena. Of the 22 mixed-use projects credited toward the 2006–2014 RHNA, only two projects triggered the established threshold of square feet of nonresidential use and both projects were approved with affordable units. Developers are generally proposing mixed-use developments as a means to secure more flexible development standards. Given the volume of projects approved and built in the community, the permitting process has not constrained the production of housing, including affordable housing.

## BUILDING CODES AND ENFORCEMENT

The City of Pasadena has adopted Title 24 of the 2007 California Code of Regulations, which is substantially based on the new International Code of Building Officials that is replacing the Uniform Building Code (UBC). State law requires that all local jurisdictions adopt the new Code; however, local governments are permitted to make local amendments to the Code that are necessary to address unique local climatic, geologic, and/or topographical conditions in their respective community.

The City of Pasadena worked in coordination with 88 cities in Los Angeles County through the Los Angeles Regional Uniform Code Program to minimize variations to the Code and promote consistency among proposed amendments adopted by cities in the region. However, to address issues of local concern, the City has adopted the following local amendments to the California Code of Regulations to protect the public health and safety from hazards indigenous to the community.

- **Fire Hazards.** The Code has restrictions on the use of wood as exterior wall and roof material in fire hazard areas, requirements for Class A assembly for other materials, requirements for fire sprinklers in all new construction, except one- and two-family dwellings outside brush hazard areas; townhomes less than three stories; and certain residential care facilities for six or fewer clients.
- **Seismic Hazards.** Pasadena's location in a seismically active area necessitates additional structural modifications to protect from earthquake. More restrictive building standards for roof sheathing, diaphragms, suspended ceilings, footings and foundations, shear walls, and building separation to reduce risk of injury and property damage in the event of an earthquake.
- **Green Building.** Mixed-use and multifamily projects of four stories or more are required to comply with the City's Green Building Ordinance. This requires applicable structures to submit a checklist as part of building plan check documenting attainment of at least the minimum points to achieve Leadership in Energy and Environmental (LEED) standards.
- **Administrative Procedures.** Additional amendments provide for carrying forward existing administrative provisions, such as establishment of the City Council as the Board of Appeals and other miscellaneous provisions.

Property maintenance and habitability are implemented through code enforcement. The City administers a program that inspects all multiple-family projects every four years for building and property maintenance standards. Properties that receive citations or notices for correction are provided information on City loan programs and grants that can be applied for to facilitate and encourage the repair of code violations or rehabilitation of housing. Single-family residential properties are routinely inspected through normal code enforcement programs Citywide. Properties found to be in violation of City codes are also given citations with specific timeframes to remedy the code violations.

## ENVIRONMENTAL FACTORS

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Environmental and infrastructure constraints cover a broad range of issues affecting the feasibility of residential development. Environmental issues range from the suitability of land for development to the provision of adequate infrastructure, services, and facilities are available to facilitate housing development commensurate with the 2008–2014 RHNA. This section discusses environmental factors in Pasadena.

### ENVIRONMENTAL CONSTRAINTS

In addition to site improvements, Pasadena has policies to ensure that development is compatible with existing environmental conditions. Certain portions of Pasadena are not suitable for development due to topographical, flooding, seismic, or geologic conditions. The following information is derived from the City’s Safety Element, which is being updated as part of a comprehensive update of the General Plan.

#### Topography

The majority of vacant land is along the western portion of the city, running the length of the Arroyo Seco, which is a wash that extends southward from the Devil’s Gate Dam. Because the Arroyo is in a dam failure inundation pathway, it is currently developed as open space and a city regional park. Soil instability, traces of earthquake faults, and the potential for flooding make this location unsuitable for the construction of higher density residential development.

#### Flooding

The Eaton Wash and Morris Jones Reservoir on the eastern portion of Pasadena could result in dam failure and inundation areas extending over parts of the far eastern portion of the city. Some portions of the flood inundation areas are designated as open space (e.g., occupied by portions of City regional parks) and are unsuitable for residential development. The Linda Vista area is also subject to flood inundation, which limits the type of permissible development.

#### Seismic Activity

The far western portion of Pasadena is underlain by faults that extend eastward into the Linda Vista area. Linda Vista consists primarily of very low density and hillside developments that extend from the wash area of the Devil’s Gate Dam west to the City’s boundary. In addition, single-family residential areas in the southwest corner of the city are included in an Alquist-Priolo area, because of the active Raymond Hill fault.

Although these constraints limit the location and type of housing, these environmental issues are not considered to be constraints to meeting the City’s share of regional housing needs. Housing subject to environmental constraints is generally lower density and single-family. The majority of affordable housing in Pasadena is developed as infill or through conversion of nonresidential sites in the City’s central areas. These areas are not generally affected by the above environmental constraints.

## INFRASTRUCTURE IMPROVEMENTS

The General Plan Land Use Element has policies to ensure that adequate provision of infrastructure and services are available to accommodate new housing. Policy 1.10 approves capital improvements consistent with concentrated development activity within specific plan areas, while emphasizing maintenance and upgrades outside targeted areas. Policy 7.4 authorizes capital improvements that maintain or rehabilitate infrastructure, including upgrading the water and sewer systems. This section addresses the availability of water delivery and sewer facilities to support future development.

### Sewer Capacity

The City encompasses approximately 23 square miles and owns and operates a wastewater collection system that serves the local residential and commercial community. The City's wastewater system includes 350 miles of sewer pipelines ranging from 6"-42" in diameter; two sewer pump stations; and approximately 7,430 manholes. It should be noted that no sewer treatment takes place within the City of Pasadena sewer service area. All sewer flow generated within the service area is conveyed to treatment facilities of the Sanitation Districts of Los Angeles County (LACSD).

In 2007, the City of Pasadena updated its Sewer System Master Plan as the basis for the development of a plan for accommodating anticipated growth through 2020. The population estimate for 2020 exceeds growth forecast to accommodate the RHNA. The City previously prepared a Master Sewerage Plan in 1973, which was later updated in 1977. The 1977 Master Sewerage Plan long-range capital improvement program was based on a projected population of approximately 125,000 people in the year 2010. The City of Pasadena has experienced significant growth since this update, and actually exceeded the long-range population estimate of 125,000 people in 1985.

Several findings are germane to the Housing Element. Pasadena is one of the oldest cities in its region, and its sewer system contains older lines than those in most neighboring service areas. Approximately 35 percent of the City's system is over 80 years old, and over 60 percent of the system is over 70 years old. Though many of the lines are in good working condition and still have useful life (the pipes are designed to last 90 to 110 years), other improvements are needed. The City prepared a capital improvement and financing plan to upgrade or replace any sewer lines, pump stations, or appurtenances. In 2007, the City also adopted a new sewer fee of about \$1,500 per unit to pay for the construction and upgrade of sewer infrastructure to meet the City's needs.

The City is not responsible for the management, planning, construction, or operation of sewer treatment facilities; these responsibilities fall within the jurisdiction of LACSD. The City of Pasadena is in District 16 of the LACSD. Based on the City's location and its associated sewerage conveyance and treatment needs, the District has developed fees to pay for the infrastructure needed to accommodate the City's long-term growth. Developers proposing projects in Pasadena are required to pay \$1,800 to \$2,300 per unit on each residential project to the Sanitation District as mitigation.

## Water Capacity



Pasadena Water and Power (PWP) is the water supply service provider to Pasadena residents and businesses. Pasadena's water supply is drawn from a variety of sources, including groundwater, local surface water, imported water, and short-term water exchanges with neighboring agencies. PWP provides about 37,000 acre-feet/year (afy) of water to its customers. It obtains 40 percent of its annual water supply from groundwater and the remaining 60 percent from the Metropolitan Water District (MWD). PWP also diverts surface water runoff from two streams that flow within its service area into several spreading basins where it percolates into the ground and recharges the aquifer.

Groundwater is obtained from the Raymond Basin, a large aquifer that underlies the City and surrounding region. It has a groundwater production of about 30,000 afy and has the potential to store large amounts of imported water for drought purposes (up to 16 times the amount consumed by residents living over the Basin) (PWP 2005). Pasadena has an adjudicated pumping right to 12,807 afy with additional rights based on spreading surface water diversions in the Arroyo Seco and Eaton Canyon. PWP operates seven wells with a combined capacity of 15,200 afy (PWP 2005). The MWD provides the balance (approximately 65 percent) of annual water use in the City.

In 2008, the Watermaster informed PWP that certain areas of the Raymond Basin are in overdraft. PWP anticipates that the Watermaster may reduce the pumping allocation of every pumper in the Pasadena subarea by 35 percent to protect the storage capacity of that area. If that occurs, PWP's groundwater pumping rights would be reduced to 9,877 afy in the Raymond Basin. Persistent drought and a federal court ruling that restricts pumping activities in the Sacramento River Delta have also caused MWD to draw from its storage reserves. On July 1, 2009, MWD cut back its allocation to Pasadena by 10 percent, which will result in significantly higher costs if the City exceeds its allocation.

The PWP is undertaking steps to ensure that it will be able to maintain water deliveries. In the short term, PWP will restore most of the out-of-service wells by installing perchlorate treatment systems. PWP will implement the 2009 Comprehensive Water Conservation Plan to reduce per capita water consumption 10 percent by 2015. PWP is accelerating cooperation with watershed planning efforts in the Arroyo Seco to increase capacity of its spreading basins. Finally, the City is accelerating efforts to construct a pipeline to provide up to 6,000 afy in recycled water for irrigation purposes. These efforts will allow PWP to meet the water demand forecast in the City's General Plan.

In 2006, the state legislature passed SB 1087 to implement Government Code 65589.7. The statute requires local governments that provide water and sewer service to develop and adopt written policies and procedures no later than July 1, 2006, that grant priority for service allocations to proposed developments that include housing units affordable to lower income households. Water and sewer providers are also prohibited from denying or conditioning the approval of reducing the amount of service for an application for development that includes housing affordable to lower income households. The Housing Plan contains a program to work with the City's water and sewer providers to ensure that appropriate policies and programs are in place to address SB 1087.

## CONSERVATION OPPORTUNITIES

The protection of the natural and built environment to ensure sustainable communities and conserve natural resources is one of the foremost challenges facing communities across the country. Rising energy costs, dependence on fossil fuels, and increasing evidence of the adverse impacts of global warming have provoked the need in California and nationwide to improve energy management and resource conservation strategies. How we design, build, and operate all types of buildings therefore has profound implications for energy use and resulting global warming and an immediate and important concern for the City of Pasadena.

Pasadena has taken a leadership role in developing and implementing resource conservation programs addressing water resources, renewable energy sources, solid waste management, urban forestry programs, and other efforts toward becoming a green and sustainable city, including:

- Adoption of an Environmental Charter
- Endorsement of the U.N. Environmental Accords
- Endorsement of U.S. Conference of Mayors Climate Protection Agreement
- Adoption of a Green City Action Plan
- Establishment of an Environmental Advisory Commission
- Adoption of a Green Building Ordinance

State housing element law requires an increasing analysis of the opportunities for energy conservation in residential development. The following highlights just three ways in which the City is promoting resource conservation:

### Neighborhood Design

Strategies to reduce energy demand begin with efficient site planning. Sizing and configuring lots to maximize a building's solar orientation (i.e., east–west alignment for southern exposure) allows for optimal use of passive heating and cooling techniques. Developing on an infill site reduces potential energy costs associated with new infrastructure needed to service the project site. Infill housing within an urban core—placing housing near jobs, services, and other amenities—reduces energy consumption related to transportation. The City of Pasadena's strategy for residential development is essentially infill, which is the most efficient use of available residential land.

Pasadena is committed to maintaining and improving open space resources within the community. No new residential development is slated for areas zoned as Open Space. Moreover, one of the seven guiding principles of the General Plan is for Pasadena to be a city where people can circulate without a car. To this end, residential growth is targeted in a fashion that benefits the community and is strategically located near mass transit opportunities (major corridors, light rail, or transit). In fact, the City of Pasadena also provides a free shuttle that transports residents throughout the community day and night. The close relationship between housing and transportation decisions maximizes the opportunities for energy conservation, mobility, and related air quality benefits.

## Building Design



California's Title 24 regulations, Energy Efficiency Standards, require all new housing to meet minimum energy conservation standards. This requirement can be met in two ways. The prescriptive approach requires each individual component of a building to meet a minimum energy requirement. The performance approach allows a range of measures which, in totality, meet specified energy conservation targets. With either option, mandatory components must still be installed, such as minimum insulation, heating, ventilation, and air conditioning systems; and efficient heating equipment. In addition to California's Title 24 standards, all residential projects are subject to meeting the state building codes, which also include energy conservation standards.

Pasadena's comprehensive Green Building Program is designed to promote sustainable building design and construction that has a low impact on the environment, uses resources efficiently, is healthy for the occupants, and brings economic and social benefits to the community. Mixed-use and multifamily residential development of four stories or more are required to comply with the City's Green Building Ordinance. The Ordinance requires applicable structures to submit a Leadership in Energy and Environmental Design (LEED) checklist as part of building plan submittal, indicating attainment of at least the minimum points to achieve LEED standards.

The City Planning and Building Departments conduct ongoing outreach and education with developers, contractors, architects, and business owners to provide information on how to incorporate sustainability in project design. The City offers project applicants the free services of a LEED-certified expert to work with applicants in achieving LEED compliance. In addition, the City has adopted a construction tax rebate of \$1,000 per on-site affordable inclusionary unit for projects that meet the requirements of the Green Building Ordinance. When combined with incentives, rebates, and life-cycle savings, employing green methods need not impact a project's economic viability.

## Urban Forest

The City of Pasadena is implementing other measures to reduce the use of energy resources for housing. Planting deciduous (shade) trees around properties can reduce the amount of energy used for cooling in the summer, while allowing in the sun's warming rays during winter. Estimates are that well-placed trees around a home can reduce air conditioning or cooling costs by as much as 20 percent. The National Arbor Foundation has named Pasadena a Tree City USA for five consecutive years for its efforts to preserve and enhance the community's urban forest, a passive natural feature that reduces the need for cooling and provides direct energy conservation benefits. The Public Works Department also offers residential customers a rebate for planting any one of 37 species of shade trees. The City also makes available on the web its Cool Trees Program Guidebook to help residents in the siting, planting, and care for shade trees.

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# Housing Resources

This chapter provides an inventory, analysis, and assessment of the City’s resources to address its housing needs, including the City’s share under the regional housing needs assessment. This includes the land available for development, financial resources for housing, and administrative capacity.

## INTRODUCTION

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Providing adequate housing to address the City’s housing needs and housing element requirements is a sensitive issue in many communities, including Pasadena. On the one hand, state law requires that all local governments in California facilitate and encourage the production of housing commensurate with their share of the regional housing needs. On the other hand, accommodating growth in a responsible manner presents challenges. Pasadena has successfully faced these challenges by guiding residential growth in a manner that benefits the community and respects its unique character.

Pasadena’s regional housing needs allocation (RHNA) is 2,869 units for the 2006–2014 planning period. Within this housing production goal, the City is required to demonstrate capacity to accommodate housing that is affordable to different income levels. Through proactive policies, Pasadena has already addressed two-thirds of its future housing need. This progress has been achieved by first directing growth into each of the seven specific plan areas that have infrastructure and services in place; and secondly, by allowing normal reinvestment to occur in neighborhoods.

The General Plan land use framework places a great priority on preserving the quality and character of its residential neighborhoods by attention to harmonizing growth. Harmonizing change and preserving the environment are of tremendous importance to Pasadena residents and both are directly linked to the integrity of neighborhood fabric. Harmonizing change requires that development and other physical alterations respect the existing character and scale of neighborhoods. Change that does occur must enhance and blend with Pasadena’s social fabric, natural environment, and built environment.

This chapter focuses on how the City will continue to meet its challenge to provide adequate housing and address the remainder of the RHNA in a manner that preserves and enhances quality of life in the community.

## HOUSING CONSTRUCTION

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Pasadena's RHNA is to accommodate 2,869 units for the 2006–2014 planning period. The affordability distribution of units is: 711 units of housing affordable to very low income households, 452 units for low income households, 491 units for moderate income households, and 1,215 units for above moderate income households. The methodology used by the Southern California Association of Governments to derive this allocation was described earlier in Chapter 2 of the Housing Element.

In meeting this requirement, state law does not require cities to build or finance the construction of housing units to address the RHNA, but rather identify adequate sites that are appropriately zoned and to make available programs and services to facilitate the construction of housing affordable to a variety of household income levels. To determine the appropriate number of sites needed to address the RHNA, state law allows cities to first credit projects built since the beginning of the planning period as well as projects that have received approvals and are likely to be built by 2014.

### CREDITS TOWARD THE RHNA

Table 4-1 provides a summary of residential and mixed-use projects that were built since January 1, 2006; are under construction; or are considered pending projects (currently under review) as of January 1, 2006. In November 2009 the list of projects was further updated to provide the most up-to-date list of credits. During this time, however, several projects did not materialize or were not constructed due to the decline in the housing market, while others were approved and built.

The affordability of housing credited toward the RHNA is based on market rents or sales prices of homes. Actual websites and sales records were reviewed to determine project affordability. In general, most new housing products are affordable to households earning above moderate incomes. For projects with an affordability component, specific inclusionary agreements or master development plan agreements were consulted. Moreover, in these cases, the units are deed restricted as affordable and affordable rental units are generally deed restricted in perpetuity.

As shown on the following table and described under the list of specific projects, in the past three years the City of Pasadena has facilitated a wide range of housing products. In fact, nearly every conceivable type of housing product has been either approved for construction and/or built since 2006. This includes townhomes, apartments, senior housing, mixed use, single room occupancy, live-work, student housing, senior life care facilities, housing for people with mental disabilities, transitional housing, emergency shelters, and permanent supportive housing.

Table 4-1: Credits toward the RHNA



	Type of Housing	Affordability Level				Total
		Very Low	Low	Moderate	Above Moderate	
<b>Projects Built with an Affordable Component*</b>						
1. Del Mar Station	MX-A	–	14	7	326	347
2. Trio Apartments	MX-A	–	12	6	286	304
3. Pasadena Place	MX-A	3	–	–	35	38
4. Fuller Seminary	SH-A	–	18	151	–	169
5. 217 S. Marengo	LW-O	–	–	6	30	36
6. 33 S. Wilson	A	4	–	–	41	45
7. Orange Grove	A	–	37	–	1	38
8. Renaissance Court	MX-A	–	5	–	26	31
9. Fair Oaks Summit	O	–	–	5	19	24
10. 504–506 Cypress	O	–	–	1	1	2
11. Garden on the Hill	MX-O	–	–	11	23	34
12. Fair Oaks Terrace	O	–	–	2	10	12
13. Fair Oaks Court	MX-O	–	8	26	–	34
14. 531–537 Cypress	O	–	–	2	2	4
15. Del Mar Garden	MX-A	–	3	1	18	22
16. 1299 Green Street	SRO/MX	–	9	80	–	89
17. Haskett Court	O	–	4	2	1	7
18. Brigden-Allen	O	0	0	4	2	6
19. Westgate (Phase 1-7)	MX-A	96	0	0	384	480
20. Market Rate Projects	Varies	–	–	–	1,391	1,391
<b>Pending Projects</b>						
21. 859 N. Fair Oaks	O	–	–	2	10	12
22. 233 N. Hudson	O	–	–	–	23	23
23. 70 N. El Molino	MX	–	–	–	34	34
24. 171 S. Hudson	MX	–	–	–	20	20
25. Livingston Hotel	MX	–	–	5	63	68
26. 229–247 Marengo	A	–	–	–	21	21
27. Pasadena Athletic	MX	–	–	–	110	110
28. 3330 E. Foothill	MX	–	11	21	180	212
29. 426 Linda Rosa	A	–	1	1	5	7
30. Heritage Square	MX	68	–	–	2	70
31. Hudson Oaks	A	44	0	1	0	45
32. Nehemiah Court	PSH	6	0	0	1	7
33. 1350 N. El Molino	O	0	0	4	4	8
<b>Credits Since January 2006</b>		<b>221</b>	<b>122</b>	<b>338</b>	<b>3,069</b>	<b>3,750</b>
<b>RHNA Goal (2006–2014)</b>		<b>711</b>	<b>452</b>	<b>491</b>	<b>1,215</b>	<b>2,869</b>
<b>Deficit</b>		<b>490</b>	<b>330</b>	<b>153</b>	<b>0</b>	<b>973</b>

Source: City of Pasadena, September 2009.

Notes: MX: Mixed Use; SRO: Single Room Occupancy; SH: Student Housing; A: Apartments; LW: Live-Work; PSH: Permanent Supportive Housing; O: Ownership

\* Affordable units are all deed restricted and covenanted pursuant to the inclusionary ordinance.

## PROJECT EXAMPLES SINCE 2006

The City of Pasadena is committed to facilitating the widest diversity in housing types and affordability levels to meet the varied needs of residents and its workforce. The following describe just a sample of projects built or approved since the planning period began that demonstrate the desire to build transit-oriented housing, student housing, family rental apartments, and senior housing (including life care facilities).

### Transit-Oriented Development

Consistent with the General Plan’s guiding principle of fostering a transportation-friendly community, the City has approved the construction of numerous transit-oriented projects adjacent to or within walking distance of all the major transit stops along the Gold Line. Since 2006, the following projects have been built.

#### *Del Mar Station*

Pasadena continues to encourage the production of transit-oriented uses along the Gold Line. In 2006, the City adopted mixed-use standards to encourage the construction of transit-oriented development (TOD) projects within one-quarter mile of a light-rail station platform and within the greater Central District Transit-Oriented Area. Since 2006, the 347-unit Del Mar Apartment project was built. This project incorporated the historic depot and train station and provides 21 affordable units.



*Del Mar Transit Station*

#### *Stuart Apartments*

At the eastern terminus of the Gold Line, the Sierra Madre Transit Station, the City approved the construction of the Stuart Apartments. This 188-unit project sits adjacent to the transit station along Foothill Boulevard. The Stuart Apartments is an example of adaptive reuse of a portion of the historic Stuart Pharmaceutical building. These apartments are transit accessible (as they share the same parking lot adjacent to the Gold Line), and are designed to support and strengthen adjacent commercial uses.



*Stuart Apartments*

The City has other examples of projects built near or adjacent to transit stations. These include the Holly Street Apartments (which includes 75 affordable units) and other projects within a half-mile radius of stations.

## Student Housing

Pasadena is renowned for its educational institutions. Four major institutions alone (Pasadena City College (PCC), Fuller Theological Seminary, Art Center College of Design, and Caltech) collectively enroll 40,000 students. Numerous smaller private schools and colleges, including secondary schools, are also located throughout the City. These educational institutions in Pasadena create a demand for affordable housing for students, employees, and faculty. The following highlights master plans for educational institutions that offer housing opportunities in the community.

### *Fuller Seminary*

Fuller Theological Seminary updated its Master Plan in 2006 to increase its affordable student housing to accommodate up to 2,014 students by 2019. Four phases of residential and academic buildings are proposed that will add 514 new units and renovate a 92-unit apartment. Academic phases include a new 500-seat chapel, a 50,000-square-foot library expansion, academic complex, and 450-space parking structure. Since 2006, Fuller has built a 179-unit apartment project for families and anticipates an additional 335 units by 2019.



*Fuller Seminary Housing*

### *Caltech*

The California Institute of Technology (Caltech) updated its Master Development Plan in 2006. Enrollment for 2007–2008 was approximately 2,220 students. The Master Development Plan allows for the construction of new academic and administrative facilities in two areas, with the majority constructed between the existing campus and Del Mar Boulevard. In addition, Caltech also proposes to demolish several student housing projects within the 2006–2014 planning period and move the facilities to another location on the campus. However, as no net increase in the number of housing units is proposed, no new units are credited toward the 2006–2014 RHNA.

### *Art Center College of Design*

The Art Center College of Design updated its Master Development Plan during 2005. The Art College is considering additional housing on its south campus. The City is considering entering into a development and lease agreement with the college to facilitate use of Parcel B on the Glenarm Power Plant Site to develop a parking structure. The intended use is to provide parking for existing South Campus facilities and for students who will reside in newly housing across Glenarm Street at the Art Center South Campus site. The Art Center is proposing 200 to 300 new housing units as part of the Master Plan, but no units are anticipated to be built by 2014.

## Family Housing

### **Orange Grove Gardens**

Orange Grove Gardens is a 38-unit apartment project offering 18 two-bedroom and 20 three-bedroom units affordable to households earning 30 to 50 percent of median income. Designed to enhance and honor Pasadena's garden heritage and enhance the pedestrian character of the neighborhood, the development features two landscaped courtyards, underground parking, and a 1,800-square-foot community room where residents services are provided.



*Orange Grove Gardens*

The resident services program links residents with services such as computer literacy, adult education, family health screening, financial literacy, and ESL classes. The Pasadena Boys and Girls Club opened a satellite location where they provide an after-school program. This project received the Community Redevelopment Agency's Award of Excellence in 2008. The total project cost was \$13.9 million and was funded through federal HOME funds, Fannie Mae American Communities Fund, tax increment revenues, LIHTC, City of Industry funds, and Section 8 rent subsidies.

### **Fair Oaks Court**

Heritage Housing Partners developed the Fair Oaks Court in Northwest Pasadena to expand affordable housing opportunities. This housing project provides affordable condominiums to 33 low and moderate-income households, 3 workforce income households, and 4 above moderate income households. Fair Oaks Court blends new construction with rehabilitated historic homes, taking its striking Arts and Crafts design cues from the adjacent, historic Raymond-Summit neighborhood.



*Fair Oaks Court*

The Fair Oaks Court project has won numerous awards locally and nationally. The housing project was the first in the nation to use New Market Tax Credits to fund a for-sale housing project. Fair Oaks Court has also received recognition from *Affordable Housing Finance* as the Reader's Choice Affordable Project of the Year and from the Southern California Association of Non-Profit Housing as the Affordable Homeownership Project of the Year for Southern California. The project was also awarded two prestigious Gold Nugget awards of merit: one for Outstanding Attached Project and one for Residential Community of the Year.

## Senior Housing

### **Regency Park Senior**

The City has an active program for senior and life care facilities. When the City amended its Development Code in 2004, it allowed for such facilities and provided a more specific definition. Regency Park expanded its premier independent and assisted living community, the Fair Oaks by Regency Park. This new project contains 108 independent units, which includes the recent addition of 47 one- and two-bedroom units at rents affordable to above moderate income households.



*Regency Housing*

### **Hudson Oaks**

In 2009, the City Council approved an agreement with Abode Communities to acquire and rehabilitate a 3-story and 46-unit property at 1267 N. Hudson. Built in 1971, the property sustained serious fire damage in 2005 and was closed for several years. The property gradually fell into serious disrepair. The City purchased the site and granted a 99-year lease to Abode Communities, who will completely reconstruct the apartments and deed restrict 44 units as affordable for very low income seniors. The project is funded with up to \$4.5 million in City housing funds, tax credits, and City of Industry Funds. To complete the financing and ensure long-term affordability of the project, in 2009 the Pasadena Community Development Commission and City Council approved the allocation of 44 project-based vouchers for the project.



*Hudson Oaks Senior Apartments*

### Housing for People with Disabilities

Housing people with disabilities is an important part of Pasadena’s housing strategy. This includes people requiring assisted living, recovery homes, and other independent and semi-independent housing. The following represent a few examples of projects built/planned during the 2006–2014 housing element planning period.



#### **Monte Vista Grove Homes**

Monte Vista Grove Homes is a not-for-profit multilevel retirement community founded in 1924 to provide housing for low to moderate income, qualified retirees of the Presbyterian Church USA. Monte Vista Grove Homes is located at its 13-acre site at 2889 San Pasqual Street. This site has 92 independent living units, 16 assisted living units, and 40 nurse-attended resident patient beds. Under the Master Development Plan approved in 2007, the number of independent units at the complex would be increased a net 58 units to 141 units by buildout. As a condition of approval of the Master Development Plan, the project is subject to the Inclusionary Housing Ordinance and is required to set aside 10 percent of the units affordable to low income residents and 5 percent of the units for moderate income residents.



*Monte Vista Grove*

#### **Las Encinas Hospital**

Established in 1904, Las Encinas Hospital is dedicated to providing compassionate, safe, ethical, and high-quality mental health and addiction medical treatment to individuals and families in need. The 25-acre campus offers independent living units, assisted living beds, residential treatment beds, and auxiliary medical facilities. Under its 2007 Master Development Plan, Las Encinas seeks to augment services by increasing assisted living beds from 9 existing beds to a total of 81 beds and independent living units from 85 existing to 230 total units. The project would provide expanded medical office space. In addition, a new psychiatric hospital would be built to consolidate psychiatric patient care in a single, secure, and modern 120-bed facility. Las Encinas’ plans are subject to the City’s inclusionary ordinance. Pursuant to the plan, the project is anticipated to be built by 2014.



*Las Encinas Hospital*

## PRESERVATION OPPORTUNITIES

Pasadena has a significant number of affordable units that receive public subsidies in return for long-term affordability controls or units deed restricted as affordable pursuant to the inclusionary ordinance. Chapter 2 inventoried an estimated 4,000 affordable rental units that were deed restricted as affordable to lower and moderate income households. This comprises approximately 7 percent of the City’s entire housing stock. Over time, certain affordable housing units are eligible to change from lower income housing to market rate housing within five years after the end of the planning period. In other cases, existing market rate units affordable to lower income households are at risk of being demolished or converted to non-low income uses.

State law allows for some flexibility in meeting the new construction requirement pursuant to the regional housing needs assessment for communities. Pursuant to Government Code Section 65583.1(c)(1), local governments may meet up to 25 percent of their adequate sites requirement for each of the very low and low income housing construction goals through “qualified” projects for substantial rehabilitation, preservation of at-risk units, or the purchase of affordability covenants. All such units must have long-term affordability restrictions and covenants.

These provisions allow the following:

### Substantial Rehabilitation

State law allows local governments to count qualified rehabilitation projects toward the sites identification requirement for the RHNA. This allowance could benefit the City for projects identified by code enforcement staff that need significant rehabilitation. Housing units to be substantially rehabilitated must result in a net increase in the stock of housing affordable to low and very low income households and comply with the following requirements:

- Units must be at imminent risk of loss to the housing stock, such as being subject to demolition, conversion to another use, or other similar action that would result in a loss of affordable housing.
- Local governments must commit to providing displaced tenants who are not otherwise eligible for relocation assistance under state relocation law with assistance consistent with Health and Safety Code Section 17975, including at least four months rent, moving expenses, and comparable replacement housing.
- Relocation assistance must be provided to any occupants temporarily or permanently displaced and the local government must require that any displaced occupant will have the right to reoccupy the rehabilitated units.
- Rehabilitated units must have long-term affordability requirements, not less than 20 years or any other term required by federal or state funding law or regulation.

### Converted to Affordable

Multifamily units in a rental complex of four or more units converted from nonaffordable to affordable by acquisition of the unit or the purchase of affordability covenants and restrictions can be counted toward the sites requirement under specified conditions. These units cannot be acquired by eminent domain and must provide a net increase in the stock of housing affordable to low and very low income households. In other words, the affordability of rents must be purchased (e.g., converting the units from market rate rents affordable to moderate income households to low income rents).

Converted rental units must be: made available at affordable housing costs; not occupied prior to conversion by low or very low income households; and in decent, safe, and sanitary condition when occupied. Long-term affordability covenants of at least 55 years must apply. Relocation assistance must be provided to any occupants temporarily or permanently displaced and the City must ensure displaced occupants have the right to reoccupy the rehabilitated units. Other provisions must also be followed pursuant to guidelines issued by the State Department of Housing and Community Development.

### Preservation of At-Risk Units

Finally, the City can potentially count multiple-family units to be preserved at affordable housing costs to lower income households by acquisition or purchase of affordability covenants. Preserved units must have long-term affordability covenants (at least 40 years); have received governmental assistance under specified programs; be expected to convert to non-lower-income uses; and be in decent, safe, and sanitary condition. When units are identified for preservation, however, they must be available at affordable costs to persons and families of low or very low income.

Jurisdictions must document the status of their committed assistance program during the housing element planning period in the annual report to the governing body. “Committed assistance” means a local government has entered into a legally enforceable agreement during the first two years of the planning period that obligates sufficient available funds to provide the assistance necessary to make identified units affordable and that the units will be made available for occupancy within two years of the execution of the agreement. “Net increase” means only those units that were not provided committed assistance in the immediately prior planning period.

The City of Pasadena through this analysis has determined that a significant number of affordable housing projects are at risk of conversion from affordable to market rents during the next five to ten years due to the prepayment of mortgages, termination of subsidies, expiration of use controls, or other factors. After closer review of state law and funding limitations, the City has determined that commitment of sufficient funds during the next two years (by July 2010) is not feasible. After 2010, funding may be available to rehabilitate and preserve units, but that is beyond the timeframe allowed. Therefore, Pasadena is precluded from fully utilizing this alternative sites provision.

## LAND RESOURCES



The General Plan provides the framework for guiding the growth, improvement, and preservation of the community. The Land Use Element targets growth to seven specific plan areas: Central District, West Gateway, South Fair Oaks, East Colorado Boulevard, East Pasadena, North Lake, and Fair Oaks/Orange Grove. The General Plan sets forth development caps for each of the specific plan areas which, in aggregate, allow for 8,700 higher density residential units in these areas. Table 4-2 shows the residential development capacity for each Specific Plan area.

Since the preparation of the General Plan Land Use Element in 2004, Pasadena has experienced significant new residential development in its specific plan areas. In calculating the development capacity, the General Plan exempts the following from the development capacity caps unless specifically included by a specific plan: 1) low and moderate income ownership units; 2) low income rental units; and 3) senior housing. Moreover, residential units demolished to make way for recycling and affordable units built as part of residential projects are both deducted from the gross number of units built; thus, only net new residential units apply to development caps.

**Table 4-2: Pasadena Specific Plan Growth Areas**

Specific Plan Area	Specific Housing Unit Cap	Net New Units		Project in Pipeline	Remaining Net Unit Capacity till Buildout
		Built Prior to 2005	Permitted/ Being Built 1/2006 <		
Central District	5,095	2,111	1,542	589	853
North Lake	500	-11	16	8	487
Fair Oaks/Orange Grove	550	78	143	130	199
South Fair Oaks	300	87	47	0	166
West Gateway	1,016	0	18	291	707
East Pasadena	500	16	188	180	116
East Colorado	750	0	5	0	745
<b>Total Specific Plans</b>	<b>8,711</b>	<b>2,281</b>	<b>1,959</b>	<b>1,198*</b>	<b>3,273</b>

Source: Pasadena General Plan Land Use Element, City housing production records as of January 1, 2009.

\* Includes projects that have not received building permits

In addition to the specific plan areas, the City has identified additional areas for residential growth. These include selected areas within existing residential neighborhoods where the underlying zoning district and general plan designation already allow for higher density residential developments. It is important to note that the Housing Element does not propose to redesignate or rezone any nonresidential land for development nor increase the density of development on any existing parcel.

## ADEQUATE SITE INVENTORY



California Government Code Section 65583.2(a) specifically provides that land suitable for residential development can include vacant and underutilized land that is or will be appropriately zoned and designated to allow for residential development. The foundation for this assessment is an inventory of available land. The first step is to include a listing of properties by unique reference number; the size, general plan designation, and zoning of each property; a general description of environmental or infrastructure constraints; and a map of the included sites.

The second step in preparing an adequate inventory of sites is to determine the capacity of identified sites and their ability to accommodate affordable housing (Section 65583.2(c)). Typically, the development capacity of a site depends on a number of factors, such as allowable density, development regulations, and the like. State law allows a City to use minimum density requirements adopted through local regulation (e.g., the zoning code or general plan) to calculate development capacity. However, if minimum densities have not been adopted or capacity is calculated based on a density greater than the minimum, the Housing Element must provide a reasonable methodology to establish the projected density for new projects.

The third step is to establish the ability to accommodate affordable housing—in other words, to demonstrate that the identified zone/densities encourage and facilitate the development of housing for lower income households through an evaluation of market demand and trends, financial feasibility, and project experience. As an alternative, Section 65583.2(c)(3)(b) of the California Government Code establishes default density standards. Specifically, if a city has adopted density standards that allow at least 30 dwelling units per acre, state law presumes that the sites and zoning districts are appropriate for accommodating the RHNA for lower income households.

Finally, if underutilized sites are identified as candidates in the land inventory for new housing, additional requirements apply. State law requires that the analysis include a description of the existing use of each property, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on the potential sites. This land inventory includes a site conditions survey, collected information on property ownership and existing uses, and compiled information on sites where developers have expressed an interest.

Table 4-3, *Inventory of Potential Housing Sites*, shows the most feasible sites with the potential to recycle to residential uses during the planning period. The table includes the unique reference identification number and address, the size of the parcel, ownership information, general plan and zoning, maximum density, existing uses, year of structure, potential units, site condition, and whether developers have expressed recent interest in the site. Figure 4-1, *Potential Housing Sites*, maps the location of each site within the General Plan land use designations.

Table 4-3: Inventory of Housing Sites

Site	APN	Address	Lot Size	Acres	Owner	General Plan & Zoning	Max. Density	Existing Use	Year Built	Potential Units	Condition	Recent Interest
<b>CENTRAL DISTRICT SPECIFIC PLAN</b>												
1	5722-011-017	100 E GREEN ST	29,786	0.68	1	SP/CD1	87	VACANT LOT	VACANT	59	0	
2	5723-002-907	167 E WALNUT ST	43,230	0.99	2	SP/CD1	87	VACANT LOT	VACANT	86	0	Yes
3	5723-026-024	254 E UNION ST	21,741	0.50	3	SP/CD2	87	PARKING LOT	N/A	43	1	Yes
4	5723-007-020	645 E WALNUT ST	10,450	0.24	4	SP/CD3	87	BUS STATION	1966	21	1	
5	5723-014-027	150 N MADISON AVE	22,940	0.53	5	SP/CD3	87	PARKING LOT	N/A	46	1	
6	5723-015-024, 5723-015-025, 5723-015-026	99 N MADISON AVE 95 N MADISON AVE 535 E UNION ST	50,682	1.16	6	SP/CD3	48	PARKING LOT	N/A	56	1	Yes
7	5723-028-024	54 N OAKLAND AVE 585 E COLORADO BL	26,603	0.61	6	SP/CD4	60	CHURCH-BLDG PARKING LOT	1975	37	1	Yes
8	5723-013-906	100 N EL MOLINO	35,728	0.82	CITY	SP/CD-3	60	PARKING LOT	N/A	49	0	
9	5723-009-008	670 LOCUST AVE	7,697	0.18	7	SP/CD-3 (87)	87	QUADPLEX	1938	42	3	
	5723-009-009	684 LOCUST AVE	2,750	0.06	7	SP/CD-3 (87)	87	SFR	1908			
	5723-009-010	246 N EL MOLINO	10,446	0.24	7	SP/CD-3 (87)	87	TRIPLEX	1955			
10	5734-037-001	590 E COLORADO BL / 20 S MADISON AVE	10,527	0.24	9	SP/CD4	60	OFFICE AND PARKING LOT	1978	15	3	Yes
11	5734-013-004	747 E GREEN ST / 24, 44 S OAK KNOLL AVE	35,358	0.81	10	SP/CD4	60	OFFICE AND PARKING LOT	1966	49	3	Yes
12	5735-034-060	922-928 E GREEN ST	18,504	0.42	11	SP/CD5	87	OFFICE & PARKING LOT	1929	37	3	Yes
13	5723-013-016	680 E WALNUT ST / 169-185 N HUDSON AVE	34,791	0.80	13	SP/CD3	87	OFFICE AND PARKING LOT	VACANT	69	0	Yes
14	5723-012-083	770 E WALNUT ST (WALNUT-HUDSON)	44,410	1.02	14	SP/CD3	87	VACANT RESIDENTIAL	1929	89	1	Yes
15	5723-008-015	709 LOCUST ST	8,999	0.21	15	SP/CD-3 (87)	87	10 MFR	1958	66	3	Yes
	5723-008-030	719 LOCUST ST	13,072	0.30	15	SP/CD-3 (87)	87	7 MFR	1915			
	5723-008-026	729 LOCUST ST	11,034	0.25	15	SP/CD-3 (87)	87	8 MFR	1962			
16	5734-010-066	265 S OAKLAND AVE	15,405	0.35	16	RM-48	48	1 SFR	1923	17	4	
17	5734-015-026	207 S EL MOLINO AVE	10,237	0.24	17	RM-48	48	1 SFR	1907	10	2	
18	5734-015-003	275 S EL MOLINO AVE	13,539	0.31	18	RM-48	48	5 MFR	1937	10	3	
19	5734-021-002	452 S EL MOLINO AVE	14,513	0.33	19	RM-48	48	QUADPLEX	1923	16	3	
20	5734-021-003	462 S EL MOLINO AVE	14,741	0.34	20	RM-48	48	6 MFR	1950	16	4	

Table 4-3: Inventory of Housing Sites

Site	APN	Address	Lot Size	Acres	Owner	General Plan & Zoning	Max. Density	Existing Use	Year Built	Potential Units	Condition	Recent Interest
21	5734-020-017	534 S EL MOLINO AVE	14,233	0.33	22	RM-48	48	6 MFR	1952	16	4	
22	5734-028-012	455 S HUDSON AVE	11,391	0.26	25	RM-48	48	5 UNITS	1921	13	4	
23	5734-029-014	469 S HUDSON AVE	11,521	0.26	26	RM-48	48	QUADPLEX	1928	13	4	
24	5734-029-012	499 S HUDSON AVE	10,199	0.23	27	RM-48	48	TRIPLEX	1910	11	4	
25	5734-029-010	515 S HUDSON AVE	10,647	0.24	28	RM-48	48	TRIPLEX	1922	12	4	
<b>NORTH LAKE SPECIFIC PLAN</b>												
26	5732-017-020	429 N MENTOR AVE	10,877	0.25	1	RM48-HL36	48	2 UNITS	1905	31	3	
	5732-017-021	433 N MENTOR AVE	6,399	0.15	1	RM48-HL36	48	2 UNITS	1929			
	5732-017-025	424 N LAKE AVE	10,947	0.25	1	SP-1e	48	COMRC'L BLDG	1969			
27	5848-026-005	789 E WASHINGTON	38,468	0.88	2	SP-1b	32	COMRC'L BLDG	1927-63	28	2	
28	5848-029-001	1424 N LAKE AVE	7,261	0.17	3	SP-1b	32	VACANT LOT	VACANT	11	0	
	5848-029-021	1416 N LAKE AVE	7,261	0.17	3	SP-1b	32	VACANT LOT	VACANT			
29	5732-016-034	490 N LAKE AVE	6,451	0.15	4	SP1-e (48)	48	RETAIL	1960s	27	3	Yes
	5732-016-035	490 N LAKE AVE	6,451	0.15	4	SP1-e (48)	48	RETAIL	1960s			
	5732-016-036	500 N LAKE AVE	5,998	0.14	4	SP1-e (48)	48	RETAIL	1960s			
	5732-016-037	510 N LAKE AVE	8,246	0.19	4	SP1-e (48)	48	RETAIL	1960s			
	5732-016-038	520 N LAKE AVE	10,197	0.23	4	SP1-e (48)	48	RETAIL	1960s			
30	5732-016-045	577 N MENTOR AVE	13,064	0.30	6	RM-32	32	PARKING	1960s	28	1	
	5732-016-046	565 N MENTOR AVE	13,064	0.30	6	RM-32	32	PARKING	1960s			
	5732-016-047	555 N MENTOR AVE	12,057	0.28	6	RM-32	32	PARKING	1960s			
31	5732-018-033	396 N MENTOR AVE	10,003	0.23	7	RM-48	48	QUADPLEX	1917	11	2	
32	5732-018-035	420 N MENTOR AVE	10,128	0.23	8	RM-48	48	DUPLEX	1921	11	3	
33	5732-017-028	399 N MENTOR AVE	10,685	0.25	9	RM-48	48	DUPLEX	1928	12	2	
34	5730-028-035	1266 N HUDSON AVE	16,581	0.38	11	RM-32	32	QUADPLEX	1941	12	3	
<b>FAIR OAKS SPECIFIC PLAN</b>												
35	5725-014-009	140 E ORANGE GROVE	7,895	0.18	12	FGSP-C3D	32	COMMRC'L 4 UNITS & PRKG	1960	20	3	
	5725-014-010	680 SUMMIT ST	19,825	0.46	12	FGSP-C3D	32		1912- 67			
36	5725-019-027	230 E OR GROVE BL	8,555	0.20	13	FGSP-C3D	32	COMML, 256 SF (JOE'S ICE)	1968	15	2	
	5725-019-005	674 N MARENGO AVE	11,713	0.27	13	FGSP-C3D	32		VACANT			
37	5726-003-022	747 N FAIR OAKS AVE	9,514	0.22	14	FGSP-C3A	40	VACANT LOT	VACANT	13	0	
	5726-003-900	733 N FAIR OAKS AVE	4,616	0.11	CITY	FGSP-C3A	40	VACANT LOT	VACANT			
38	5725-014-005	208 E. ORANGE GROVE	25,108	0.58	15	FGSP-C3D	40	VACANT LOT	VACANT	18	0	

Table 4-3: Inventory of Housing Sites

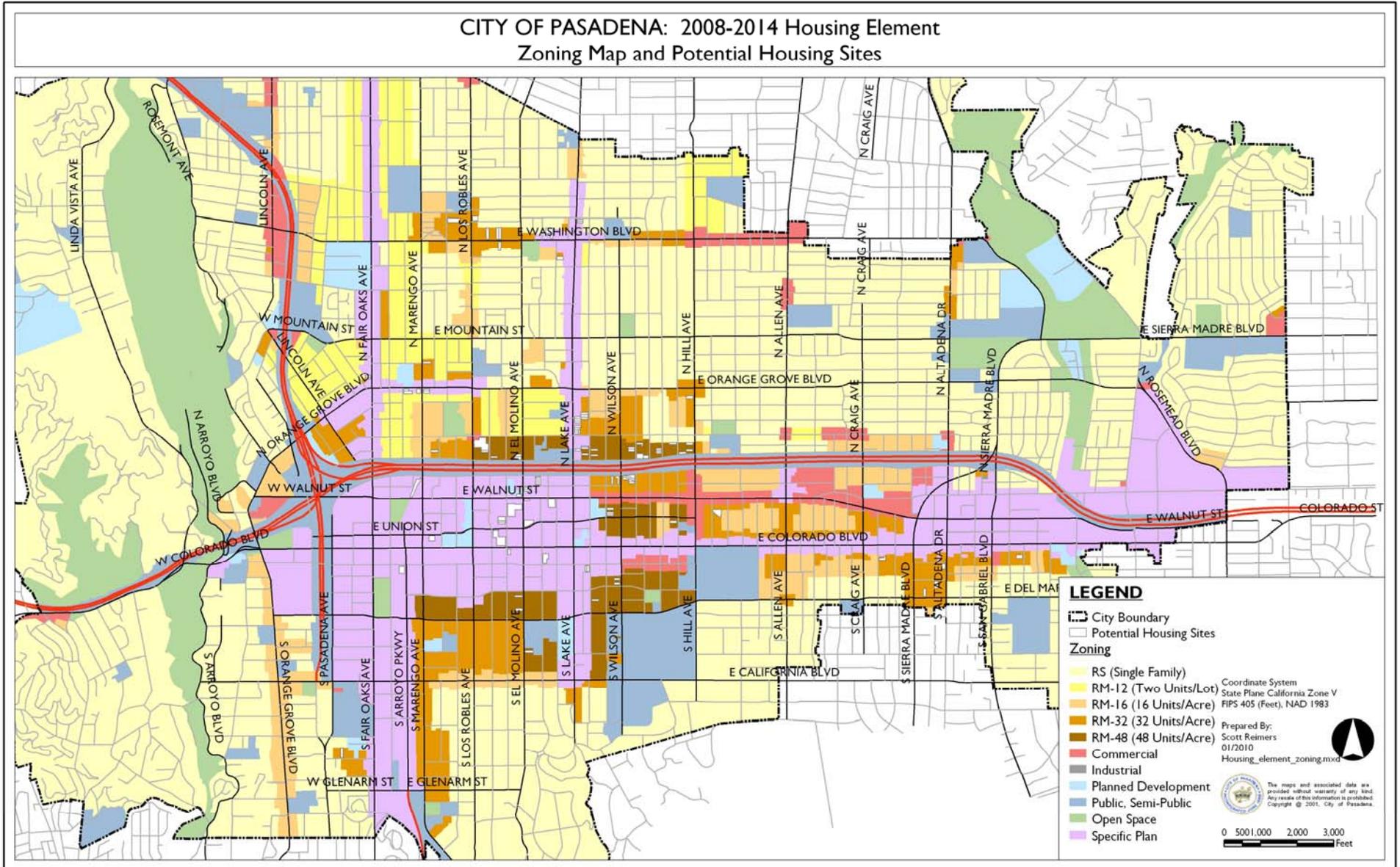
Site	APN	Address	Lot Size	Acres	Owner	General Plan & Zoning	Max. Density	Existing Use	Year Built	Potential Units	Condition	Recent Interest
<b>RESIDENTIAL INFILL</b>												
39	5731-021-042	484, 488 E VILLA ST, 432-452 N LOS ROBLES	105,542	2.42	1	CL	32	99 <sup>c</sup> STORE; FRMR FARMMKT	1965	78	2	
40	5738-010-051	290 N WILSON AVE	9,017	0.21	2	MHD/RM32	32	VACANT LOT		46	0	
	5738-010-055	285 MAR VISTA AVE	18,731	0.43		MHD/RM32						
	5738-010-052	295 MAR VISTA AVE	19,362	0.44		MHD/RM32						
	5738-010-031	277 MAR VISTA AVE	7,026	0.16		MHD/RM32						
	5738-010-032	273 MAR VISTA AVE	8,850	0.20	2	MHD/RM32						
41	5739-003-036	415 N CHESTER AVE	7,500	0.17	3	MHD/RM32	48	SFR	1916	25	2	
	5739-003-037	407 N CHESTER AVE	7,497	0.17		HD/RM48	48	TRIPLEX	1958			
	5739-003-040	401 N CHESTER AVE	7,500	0.17		HD/RM48	48	SFR	1904			
42	5838-040-011	507 E WASHINGTON BL	22,805	0.52	4	MHD/RM32	32	SFR	1909	17	3	
43	5838-036-001	1440 N LOS ROBLES	19,146	0.44	5	MHD/RM32	32	SFR	1911	14	2	
44	5838-039-001	547 E WASHINGTON BL	20,909	0.48	7	MHD/RM32	32	9 UNITS	1906-48	31	2	
	5838-039-002	555 E WASHINGTON BL	20,988	0.48		MHD/RM32	32	SFR	1908			
45	5725-21-024	814, 816 N MARENGO	14,040	0.32	8	MHD/RM32	32	VACANT LOT	N/A	10	0	
46	5838-014-003	1420-1440 N GARFIELD	45,538	1.05	9	MHD/RM32	32	11 UNITS	N/A	28	2	
47	5747-002-050	97 S ALTADENA DR	14,183	0.33	10	MHD/RM32	32	TRIPLEX	1895	10	1	
48	5738-002-042	285 N WILSON AVE	13,619	0.31	11	MHD/RM32	32	VACANT LOT	1900	10	0	
49	5719-024-019	1351/2 HURLBUT ST	19,912	0.46	13	MHD/RM32	32	TRIPLEX	1900	15	2	
50	5725-010-032	779 N MARENGO AVE	14,842	0.34	15	MHD/RM32	32	SFR	1922	12	4	
51	5725-027-036	417 N GARFIELD AVE	13,659	0.31	16	MHD/RM32	32	SFR	1890	10	2	
52	5730-002-029	560 E WASHINGTON	17,814	0.41	18	MHD/RM32	32	QUADPLEX	1918	13	3	
53	5731-020-035	399 N EL MOLINO AVE	12,358	0.28	19	HD/RM48	48	SFR	1909	14	3	
54	5731-020-072	385 N EL MOLINO AVE	16,109	0.37	20	HD/RM48	48	DUPLEX	1947	18	3	
55	5731-021-046	413 N OAKLAND AVE	11,680	0.27	21	HD/RM48	48	QUADPLEX	1902	13	3	
56	5731-021-050	390 N OAKLAND AVE	10,008	0.23	22	HD/RM48	48	TRIPLEX		11	3	
57	5732-020-035	411 MAR VISTA AVE	10,952	0.25	23	HD/RM48	48	TRIPLEX	1928	12	3	
58	5732-020-036	415 MAR VISTA AVE	11,246	0.26	23	HD/RM48	48	DUPLEX	1927	12	3	
59	5735-024-006	135 S WILSON AVE	10,194	0.23	24	HD/RM48	48	SFR	1915	11	2	
60	5735-024-019	155 S WILSON AVE	10,785	0.25	25	HD/RM48	48	QUADPLEX	1938	12	3	
61	5735-028-003	230 S MENTOR AVE	11,162	0.26	26	HD/RM48	48	DUPLEX	1906	12	3	

Table 4-3: Inventory of Housing Sites

Site	APN	Address	Lot Size	Acres	Owner	General Plan & Zoning	Max. Density	Existing Use	Year Built	Potential Units	Condition	Recent Interest
62	5737-003-032	156 HARKNESS AVE	36,369	0.83	29	MHD/RM32	32	9 UNITS	1947	27	3	
63	5738-005-030	130 N CATALINA AVE	10,118	0.23	30	HD/RM48	48	SFR	1920	11	3	
64	5738-005-031	140 N CATALINA AVE	10,371	0.24	31	HD/RM48	48	TRIPLEX	1908	11	3	
65	5738-005-033	160 N CATALINA AVE	10,503	0.24	32	HD/RM48	48	QUADPLEX	1957	12	3	
66	5738-021-011	95 N HOLLISTON AVE	12,199	0.28	33	HD/RM48	48	5 UNITS	1924	13	3	
67	5739-001-050	409 N HILL AVE	10,977	0.25	34	HD/RM48	48	TRIPLEX	1911	12	3	
68	5739-001-053	439 N HILL AVE	11,335	0.26	35	HD/RM48	48	SFR	1912	13	3	
69	5739-001-056	400 N HOLLISTON AVE	11,194	0.26	36	HD/RM48	48	DUPLEX	1920	12	3	
70	5747-003-039	2460 OSWEGO ST	20,112	0.46	37	MHD/RM32	32	SFR	1912	15	2	
71	5747-003-025	2409 E DEL MAR BLVD	15,037	0.35	38	MHD/RM32	32	DUPLEX	1925	11	3	
72	5747-006-028	52 S GRAND OAKS AVE	15,017	0.34	39	MHD/RM32	32	QUADPLEX	1941	11	2	
73	5748-014-031	47 EASTERN AVE	16,851	0.39	40	MHD/RM32	32	QUADPLEX	1940	12	3	
74	5838-013-007	1497 N LOS ROBLES	18,654	0.43	41	MHD/RM32	32	TRIPLEX	1920	14	2	
75	5838-014-019	1411 N LOS ROBLES	17,575	0.40	42	MHD/RM32	32	QUADPLEX		13	2	
76	5739-002-051	443 N HOLLISTON AVE	11,604	0.27	44	HD/RM48	48	TRIPLEX	1923	13	3	
77	5739-004-031	438 MAR VISTA AVE	11,871	0.27	45	HD/RM48	48	QUADPLEX	1924	13	3	
78	5739-004-037	380 MAR VISTA AVE	25,176	0.58	46	HD/RM48	48	10 UNITS	1958	28	2	
79	5739-004-051	385 N MICHIGAN AVE	12,424	0.29	46	HD/RM48	48	QUADPLEX	1964	14	3	
80	5739-019-015	647 N HILL AVE	15,706	0.36	47	MHD/RM32	32	TRIPLEX	1928	12	3	
81	5739-019-019	609 N HILL AVE	16,246	0.37	48	MHD/RM32	32	TRIPLEX	1908	12	4	
82	5738-002-041	1055 LOCUST ST	13,655	0.31	49	MHD/RM32	32	SFR	1901	10	4	
83	5738-002-043	1045 LOCUST ST	13,927	0.32	50	MHD/RM32	32	SFR	1939	10	3	

Source: City of Pasadena, 2009.

**Figure 4-1  
Potential Housing Sites**



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## ASSESSMENT OF CRITERIA

### Market Activity

Since 2000, Pasadena has seen extensive construction of new housing. The significant level of construction is due to the achievable densities and market value of apartments. Several sites showed that the value of new apartments can be 25 times the value of the land, indicating that nearly all uses are ripe for recycling. The City has seen nearly every allowable land use converted to housing in recent years. Recent projects include:

- Trio Apartments (304 units)
- Terrace Apartments (391 units)
- Acapella Apartments (143 units)
- Arpeggio Apartments (135 units)
- Archstone Apartments (120 units)
- City Place Apartments (214 units)
- Paseo Colorado Apartments (391 units)
- Fuller Seminary Apartments (179 units)



In addition, Pasadena has experienced significant residential development around its Gold Line Stations. This includes the 347-unit Del Mar Apartments, the 375-unit Holly Street Apartments, the 188-unit Stuart Apartments at the Sierra Madre Station, and additional units mentioned above. Only sites surrounding the Allen Station have not experienced the same level of residential construction in recent years.

### Adequacy of Zoning

The adequacy of zoning for affordable housing is determined by the allowable density of residential development. Housing Element law provides guidance on how to establish the number of units that can accommodate the local government's share of the regional housing need for lower income households. Section 65583.2(c) of the Government Code states that if a local government has adopted density standards consistent with default densities, HCD is obligated to accept sites with those density standards as appropriate for accommodating a city's share of regional housing need for lower income households. The default density for cities in Los Angeles County is 30 units.

All the proposed sites designated for high density residential and mixed uses in the land inventory are located in the RM-32, RM-48, CD-48, CD-60, and CD-87 zones. These districts allow multiple-family residential and/or mixed uses at a density of more than 32 units per acre. Moreover, as discussed later, the City's development history shows that the projects built in these zones more often achieve maximum densities. Furthermore, many of the residential projects built in these zones contain an affordability component ranging from 15 to 100 percent of affordable units. Because Pasadena's Zoning Districts and realistic densities exceed the state "default threshold," both the RM zone and the CD zone are adequate to support the development of affordable housing.

### Development Capacity

The development capacity of sites identified as candidates to address the RHNA is determined by multiplying site acreage by the density normally achieved on sites. A survey of six projects built in and around the Central District since 2006 found that all projects built achieved maximum density allowed under the General Plan. Moreover, 14 multiple-family projects proposed for plan check under the Garden Standards Ordinance were analyzed and all achieved at least 90 percent of maximum density. Because of this history, maximum densities can be used in calculating residential infill development capacity. Using this assumption and available acreage, the City has a development capacity of nearly 1,000 new residential units in specific plan areas.

Concern is often expressed that small sites cannot yield affordable housing without incentives for lot consolidation or substantial financial subsidy. While this rule of thumb is true for many communities, a survey of Pasadena projects demonstrates otherwise. Many residential projects in specific plan areas have been built on very small sites. Moreover, some projects offer all affordable units on sites as small as one-half acre. For residential uses outside of specific plans, the land inventory only identified RM-zoned sites that are sufficiently large enough to accommodate at least 10 units per site, triggering the City's inclusionary requirements. Thus, developers wishing to build small projects must comply with affordability requirements.

### Recycling Feasibility

In January 2010, the City conducted a field survey of sites to help determine the potential for redevelopment. The survey ranked sites based on a five-point scale.

- Score of 0–1: denotes a vacant or parking lot, which has a very high likelihood of development during the planning period.
- Score of 2: indicates that the current use is marginal (e.g., a business is operating but the structure shows significant signs of wear or the use appears to have limited business activity).
- Score of 3: denotes an active use of an aging structure. As older buildings are often highly valued in Pasadena, structures scoring 3 are not considered ripe for development, unless the achievable density is five times the existing density.
- Score of 4: denotes an active use of a well-maintained structure. Even if a site could accommodate significantly more density, these sites are not considered to be developable during the planning period.

Generally, sites feasible for development are vacant/parking lot, are in less than optimal condition, and allow for significantly more intensity and density than the existing use. Developers have expressed interest in many of the sites identified as ripe candidates for recycling. Taken together, this inventory revealed a realistic development capacity that exceeds the remaining 2006–2014 regional housing needs assessment.

### Examples of Recycling

The prior analysis demonstrated the feasibility of constructing new housing in the community on a range of different sites. To provide a better understanding of recycling patterns, Table 4-4 displays a summary of several residential projects built since 2006 in Pasadena that illustrate how recycling of uses generally occurs. Shown below are the type of residential project, the underlying zone and general plan designation, lot size, existing use, project size and affordability requirements, and incentives. These projects help demonstrate further that recycling is possible in a number of creative ways.

**Table 4-4: Sample of Recent Projects**

Project Name and Address	Type	Zone	Lot Size	Existing Use	Project Size	Incentives
Pasadena Place 169 W. Green	Apts/ MxUse	CD1 (87 du/ac)	0.34 acres	Surface Parking Lot	38 units 3 affordable 112 du/ac	Density Bonus & Fee Waiver
Orange Grove Garden 252 E Orange Grove	Apts	FGSP-C- 3D (32 du/ac)	1.17 acres	Nursery site	38 units 100% affordable 32 du/ac	MCUP & Financial
Fair Oaks Court 588 N. Fair Oaks	Condo/ MxUse	FGSP-C- 3A (40 du/ac)	1.76 acres	Multiple residential	31 units 100% affordable 23 du/ac	Fee Waiver
Del Mar Gardens 240 E. Del Mar	Apts	RM32 (32 du/ac)	0.59 acres	Multiple residential	20 units 4 affordable 37 du/ac	Density Bonus & Fee Waiver
Green Street Apts 1299 E. Green	SROs	CG	0.59 acres	Surface Parking Lot	89 units 100% affordable 151 du/ac	Fee Waiver
Trio Apartments 621 E. Colorado	Apts/ MxUse	CD4 (87 du/ac)	3.3 acres	Mixed Commercial and Parking	304 units 18 affordable 87 du/ac	None

Source: City of Pasadena, 2008.

This table illustrates several conclusions. First, affordable housing are on parcels as small as 0.34 acres, with certain residential projects achieving 100 percent affordable units capable of being built on sites as small as 0.59 acre. Moreover, the City has a track record of facilitating and encouraging the production of affordable housing in residential, commercial, and specific plan areas. The City's continued success in the construction of residential projects is due to the underlying development standards, allowable and achievable density of projects, density bonuses, and financial assistance.

An equally compelling finding is the success of recycling of nonresidential uses to housing. These examples show that developers are willing and able to convert nearly every conceivable land use (surface parking, nursery, multiple family residential, and mixed commercial uses) to housing, further demonstrating the feasibility of recycling. Numerous other examples exist where housing and mixed-use projects have replaced former gas stations, car service centers, and even office complexes.

### Recycling Incentives

As in any housing market throughout the state, developing affordable housing is a challenge. Land costs, size of the site, construction costs, market demand, financing, permit processing, and other aspects affect the financial feasibility of affordable housing. Pasadena's success in facilitating and encouraging the production of mixed-use projects, market rate projects with an affordability component, or other publicly subsidized affordable projects is due to its unique blend of incentives offered by the City.

Developers have access to various incentives that target potential constraints, such as development regulations, financing, land assemblage, or other feature of the project. The following incentives are available for developers.

- **Density/Intensity Incentives.** The sites identified in the inventory already allow for high densities ranging from 32 to 87 units per acre. However, if affordable housing is proposed (which is usually the case with rental projects in the Specific Plan areas due to the inclusionary ordinance), the state density bonus are applicable. Within parts of Central District, further density bonuses of up to 50 percent for increased percentages of affordable units are allowed.
- **Flexible Development Standards.** Developers have the ability to use flexible development standards to make projects more feasible. As discussed earlier in Chapter 3, these incentives include parking reductions for certain affordable and/or transit oriented projects), flexible means to address open space (for Urban Housing and Mixed Use), and other concessions.
- **Land Assemblage/Write Downs.** The PCDC has an active history in providing land write-downs to selected developers in the acquisition and disposition of housing sites and/or surplus properties for the construction or rehabilitation of affordable housing units. This is the case with the Heritage Square Development and numerous other affordable housing projects in the City. The City may also assist in the acquisition and assemblage of sites.
- **Fee Waivers.** The City has a fee waiver program that waives portions of the City's Plan Review Fee, Building Permit Fee, Construction Tax, and Residential Impact fee for parks in exchange for 30-year affordability controls. As demonstrated in Chapter 3, affordable projects receive fee reductions of up to \$25,000 per unit, with a cap of \$125,000 fee reductions per affordable project. Many affordable housing projects have been funded since its inception in 1991.
- **City Assistance.** The City has established a Housing Opportunity Fund to support affordable housing activities. These include Inclusionary Housing Trust Funds, Redevelopment Housing Funds, HOME, and a variety of other federal, state, and local funds. The Housing Division announces the availability of Housing Opportunity Funds on an annual basis, solicits competitive proposals for projects, and funds projects advancing City housing goals.

The Housing Plan provides additional details on available incentives.

### Summary of Strategy to Address the RHNA

In summary, Pasadena has made significant progress toward its 2006–2014 RHNA. The City’s strategy to achieve the remaining RHNA is to continue to facilitate new housing and mixed uses in its specific plan areas with the remainder, if needed, to be satisfied through housing production on larger lots within residential neighborhoods. The land inventory identifies 83 sites that could accommodate 1,868 new units. The following text and Table 4-5 and summarize how the City will address its RHNA.



- Approximately 697 units could be accommodated on vacant sites that allow at least 32 units per acre. The majority of these sites are larger than 0.5 acre and are immediately ready for development, and could accommodate 70 percent of the remaining unmet need for housing affordable to low and very low income households. This leaves an unmet need of only 274 units.
- Approximately 369 units could be accommodated on sites that are substantially underutilized, as demonstrated by a site survey (scoring a ranking of 2). Based on the age and condition of the site and marginal uses present, these sites are readily developable within the planning period. With these sites, the City can satisfy the entire remaining portion of the 2006–2014 RHNA.
- Approximately 842 units could be built on all remaining sites in the inventory. Of that total, about 414 units could be built on sites that had recent developer interest or where the allowable density was five times existing density and the site had a single owner. The other sites are considered not feasible for development during the remainder of the planning period.
- The City routinely offers a number of development incentives (please see the list of financial and regulatory assistance on the prior page) to facilitate the construction of housing, including affordable housing.

With the available sites and housing programs in place, Table 4-5 summarizes how the City can adequately meet its remaining RHNA obligation during the planning period.

**Table 4-5: 2006–2014 Pasadena RHNA**

RHNA and Remainder	Income Category of Units			
	Very Low	Low	Moderate	Above Moderate
RHNA	711	452	491	1,215
Projects Built	221	122	338	3,069
<b>Total Balance for 2010–2014</b>	<b>973 units</b>			
<b>Potential Housing Sites</b>				
Sites with 0–2 Ranking	1,070 units			
<b>Balance</b>	<b>+ 97 units</b>			
Sites with 3 ranking	363 units			
<b>Remainder</b>	<b>+ 460 units</b>			

Source: City of Pasadena, 2009.

### Housing for Homeless People

As of 2009, Pasadena has an unmet need for approximately 208 year-round emergency shelter beds. It is important to note that this unmet need estimate shown in the City's prior Homeless Continuum of Care Plan does not account for a change in the interpretation in the City's Zoning Code as of 2010 (which allows temporary shelters to be allowed year round at churches) or the allocation of project based vouchers to Centennial Place, described below. Since 2006, the City has been very active in facilitating and encouraging housing for homeless people within the community.

#### *Union Station*

Union Station Foundation owns and operates a system of shelters in Pasadena. Since 2006, Union Station completed an addition of a 20-bed dormitory for single women adjacent to its shelter for men. The new dormitory accommodates an additional 60 to 80 homeless single women. Union Station Foundation also opened its Family Center in 2004 to provide homeless families a safe and secure place to live. Services assist each family to find and maintain permanent housing, provide a supportive environment for children, and help parents develop resources to meet their family's needs.



*Union Station's Family Center*

#### *Transitional Housing*

The City of Pasadena has a large stock of transitional housing but relatively little for the many foster care youth who transition out of the foster care system each year. Statistics show that many of these young adults need housing, additional education, and employment. Rosemary Children's Services, established its Transitional Supportive Housing Program for foster youth ages 18 to 24 at risk of becoming homeless. Rosemary Children's Services recently renovated a home adjacent to their main campus in 2009 to provide temporary housing to help foster youth transition into society.

### ***Permanent Supportive Housing***

The City of Pasadena's Continuum of Care identified that the greatest housing need for homeless people was permanent supportive housing. Nehemiah Court Apartments will be a newly constructed, seven-unit, shared housing development for chronically homeless single adults with mental illness. Nehemiah Court will use a relapse prevention model, Housing First, to provide affordable, permanent housing linked to supportive services. Community of Friends and Union Station will provide services. This permanent supportive housing project is funded with \$1 million from HCD's Multifamily Housing Program, \$900,000 from City of Industry funds, \$900,000 from the LACDC, \$700,000 from County HOME funds, \$800,000 from County Department of Mental Health Funds, \$400,000 from SHP McKinney funds, \$200,000 from Pasadena Housing Trust Funds, and \$200,000 from Supervisor Antonovich's office.

Centennial Place is an existing project that provides 144 single-room occupancy units for special needs households. Due to financial and operational challenges, the facility has experienced deferred maintenance and a need for supportive services. Existing affordability obligations are the result of a low income housing tax credit issued in 1989 (expires in 2019) and 27 project-based Section 8 vouchers that made all the units deed restricted to residents earning 60 percent of average median income. In 2009 and 2010, the Pasadena Community Development Commission approved an additional 116 project-based vouchers. In addition, the County of Los Angeles approved \$1,000,000 for the project—\$250,000 for building improvements and \$750,000 over three years for supportive services to be provided by Union Station Homeless Services. This allocation will make the units affordable to residents with very low incomes.



*Centennial Place SRO*

### ***Sites for Housing for Homeless People***

Based on existing shelter capacities and an unmet need of 208 beds, a maximum of 2 acres of land (85,000 square feet total) would be required to address the unmet needs. To accommodate this need, the City has identified several zoning districts where emergency shelters may be placed most appropriately within an overlay zone pursuant to development standards, permitting processes, and operational standards per state law. Those districts, totaling 460 acres of land, are the General Commercial (CG) and Light Industrial (IG) districts, and the CD-6 subdistrict of the City's downtown area.



The largest suitable area, located south of Del Mar Boulevard, encompasses about 200 acres of land. The three zoning districts selected for consideration of an overlay district are suitable for emergency shelters. This area contains significant medical facilities, including Huntington Medical Center, an urgent care clinic, a Salvation Army adult rehabilitation facility, and numerous other medical and support services. Union Station shelter, a primary shelter for men and women, is located within this area. Passageways, the designated intake and counseling center in the City's Homeless Continuum of Care, is also located just a few blocks away. Transit services operate along major roadways and can connect people to a variety of services, jobs, and facilities in this area.

The economic conditions present within the CD-6, and IG zoning districts located south of Del Mar Boulevard are most suitable for year-round emergency shelters. The area is comprised of a number of storage facilities, older industrial uses, auto-related uses, and a wide range and types of commercial buildings. A cursory field survey of existing land uses within this general area identified approximately 300,000 square feet of underutilized building/lot acreage that could be converted to emergency shelter use. Lot sizes ranged from ½ acre (the size of Union Station) to 2.5 acres in size. Although an emergency shelter will always require substantial public assistance, the land values and rents in an economically transition area would be the most affordable option.

The 2008-2014 Housing Element includes a program to establish an Emergency Shelter Overlay District covering portions of the three zoning districts indicated above. The Overlay District would allow the siting of a year round emergency shelter as a by-right use. Within this district, emergency shelters would be subject to the development and operational standards that apply to residential or commercial development in the same zone with several exceptions. To the extent permitted in state law, the City will evaluate the application of written and objective standards that include all of the following:

- maximum number of beds;
- off-street parking based upon demonstrated need;
- size and location of on-site waiting and intake areas;
- provision of on-site management;
- proximity to other shelters;
- length of stay;
- lighting; and
- security during hours when the shelter is open.

## FINANCIAL AND ADMINISTRATIVE RESOURCES

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Local, state, and federal funds are available to support the production, rehabilitation, and preservation of housing. In addition, the City has a wide range of partners capable of assisting the City in administering or managing its programs. This section describes the primary financial and administrative resources available in Pasadena.

### FINANCIAL RESOURCES

In today's housing market, no single governmental entity can address all the housing needs within its jurisdiction. The City of Pasadena has a number of financial resources that can be used or leveraged to support and expand the scope of its community development and housing activities. The major financial resources used are:

#### Section 8 Housing Choice Vouchers

The federal government provides approximately \$10.8 million to the Pasadena Housing Authority to administer the Section 8 Housing Choice Voucher program. These funds are used to provide very low income households with portable Housing Choice Vouchers that can be used throughout Pasadena to afford apartments where the property owners accept them. In addition, certain apartment complexes in Pasadena receive project-based vouchers that are issued to the property (as opposed to the tenant) to ensure that such housing projects remain affordable on a permanent basis.

The City of Pasadena presently has an allocation of approximately 1,300 rental housing vouchers for both tenant-based and project-based assistance. In December 2009, the Pasadena Community Development Commission allocated Section 8 project-based vouchers to several new projects in the community—including 44 project-based vouchers for the Hudson Oaks senior housing project and 116 project-based vouchers for Centennial Place, an SRO project that serves as permanent supportive housing for disabled individuals or formerly homeless residents in the community.

#### Community Development Block Grants

The federal government provides Community Development Block Grants (CDBG) funds to the City of Pasadena for a range of housing and community development activities, including acquisition and/or disposition of real estate or property; public facilities and improvements; relocation; rehabilitation and construction of housing; homeownership assistance; and demolition activities. In addition, CDBG funds can be used to acquire or subsidize the preservation of affordable units at risk of conversion to market rents. Pasadena receives approximately \$2.26 million annually in funding from the CDBG program. For FY 2010, the major expenditures by category include:

- \$249,000 for Code Enforcement
- \$603,000 for the Maintenance Assistance Services to Homeowners Program
- \$185,000 for Housing Rehabilitation Loans (PNHS)
- \$60,000 for fair housing services

### Redevelopment Set-Aside

State law requires all redevelopment agencies in California to set aside at least 20 percent of all tax increment revenue generated from redevelopment project areas for activities that increase, improve, or preserve the supply of affordable housing. The Redevelopment Agency's set-aside funds total approximately \$3 million annually. Historically, assuming approximately \$1.5 million is available after debt service and administrative costs, remaining funds are projected to be spent on the following:

- Housing Development, Rehabilitation and Preservation – \$1,285,000
- Homeownership Assistance – \$140,000
- Covenant Compliance Monitoring – \$75,000

An important program for the Housing Element planning period is to generate additional tax increment funds. The City anticipates merging all of the five redevelopment project areas within the Northwest Planning Area. This merger will increase the amount of housing set aside dollars (from 20% to 30%) that is available for activities that improve the supply and quality of affordable housing in the community. At the same time, the City is also revising all of its implementation plans. At that time, the City Council will adjust funding allocations consistent with state law requirements.

### HOME Partnership

Pasadena receives an annual entitlement from the federal government under the HOME program. For FY 2009, the entitlement is about \$1.3 million. HOME funds can be used for activities that promote affordable rental housing and lower income homeownership, including but not limited to: building acquisition, new construction, reconstruction, moderate or substantial rehabilitation, first-time homebuyer assistance, and tenant-based assistance. These funds are to be used for:

- Housing Production and Rehabilitation – \$734,000
- Supportive Housing Rental Assistance – \$360,000
- Administrative Costs – \$130,000
- Homeownership assistance – \$60,000

### Inclusionary Trust Funds

The City collects inclusionary fees from developers building new residential projects in Pasadena in lieu of building affordable units. Trust funds can be used for the production, rehabilitation, and preservation of housing. With the establishment of the fund in 2003, an average of \$2.2 million from Inclusionary Housing In-Lieu Fees have been generated annually. However, the amount varies with the housing market and level of housing production. By the end of FY 2009, a total of \$18.77 million (including a State Local Housing Trust Fund match) have been deposited into the fund, of which approximately \$15.96 million have been committed to or are available for housing development, rehabilitation, preservation, and homeownership assistance.

As a result of the economic downturn, Inclusionary In-Lieu fee receipts are projected to experience a drastic decline in FY 2010 to a projected \$400,000 next year. To help leverage future In-Lieu fee funds, the City of Pasadena has applied to the California Department of Housing and Community Development for \$2 million under the Housing Trust Fund Program during fiscal year 2009. The application has not yet been awarded due to funding cutbacks at the State of California, but may be soon resumed.

### Funds for Homeless Services

The City has an active program for addressing homelessness in Pasadena. The City receives a federal Emergency Shelter Grant annually on an entitlement basis to support its emergency shelter programs. The amount for FY 2009 is \$97,516, with an additional \$98,117 local match of Inclusionary housing funds. The City also competes annually for the McKinney Act funds. Lastly, the City successfully applied for and received funds for the Homelessness Prevention and Rapid Re-Housing Program For FY 2009 the City secured \$2.7 million for the following programs:

- \$1,078,000 for the Supportive Housing Program (transitional and permanent supportive housing with services)
- \$908,395 for the Homelessness Prevention and Rapid Re-Housing Program to be spent for financial assistance, housing and relocation stabilization services, data collection and evaluation.
- \$628,000 Shelter Plus Care (rental subsidies and supportive services for homeless persons with disabilities)
- \$55,000 HOPWA (rent subsidies for persons living w/ AIDS)

In an effort to meet its housing goals, the City will continue to leverage these and other funding sources. It will be important to identify and secure funding sources that may not have been considered previously, including private foundation sources. In the long term, prospects are good if the City continues to engage in the use of new tools to overcome the increasing cost of housing while also recognizing the need for greater subsidies per household. If new funding resources and leveraged financing can be accessed, it is expected that the number of households assisted will be increased.

### CalHOME

In recent years, the City has directed much of its housing efforts to improving homeownership opportunities in Pasadena. The City has \$1,460,000 in CalHome funds in its FY 2010 budget, from a total of \$1,500,000 awarded by the State of California (\$600,000 in FY 2007 and \$900,000 in FY 2009). These funds are required to be used to assist low income homebuyers. The use of these funds has been challenging due to program loan caps (\$40,000 for the FY 2007 allocation and \$60,000 for the FY 2009 allocation); Pasadena's high housing cost; and the tightening of the credit market, which makes obtaining a mortgage more difficult. The FY 2007 allocation is required to be expended by June 2010 and the FY 2009 allocation by August 2010.

## ADMINISTRATIVE RESOURCES



In today's housing market, creative approaches and partnerships are required to finance and build affordable housing. The City works with a large array of nonprofit and for-profit organizations to provide housing, including affordable housing, and provide a wide range of supportive services for residents with special housing needs. Other partners help build affordable housing, manage homeownership programs, preserve at-risk housing, and assist in other housing and community development activities. Some of the more recent examples are:

- **Rehabilitation Partners.** The City has worked with many partners to rehabilitate affordable housing. Recent partners include Heritage Housing Partners, Abode Communities, and Affordable Housing Services.
- **New Construction.** The City works with many partners to build affordable housing, including Heritage Housing Partners, Los Angeles CDC, Southern California Presbyterian Homes, and Affordable Housing Consolidated.
- **Preservation Partners.** Partners include Affordable Housing Development Corporation (Kings Village) and Goldrich-Kest Industries (Green Hotel). HCD also posts qualified entities interested in preserving affordable housing.

As part of the Housing Plan, the City will continue to work with dozens of nonprofit and for-profit organizations to build affordable housing, rehabilitate housing, preserve housing, and provide an extensive menu of supportive services to Pasadena residents, families, and persons with special needs. Moreover, the Housing Plan sets forth policies and programs to continue to evaluate ways to increase its administrative capacity and form partnerships to meet its housing needs.



# Program Evaluation

This chapter examines the City’s major housing programs, including the program specifications, progress in meeting objectives set forth over the 2000–2005 planning period, and recommendations for modifications.

## INTRODUCTION

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A critical part of the Housing Element is the evaluation of current housing programs and initiatives and their accomplishments over the past planning period. As part of the Housing Element, an important step in developing the City's five-year housing strategy for 2008-2014 is to evaluate the success of the prior Housing Element in meeting the community's housing needs.

To provide overall guidance to program implementation efforts, the 2000–2005 Housing Element set forth a Housing Vision that guides all public action with respect to housing. Specifically, the Vision states the following:

All Pasadena residents have an equal right to live in decent and safe affordable housing in a suitable living environment for the long-term well-being and stability of themselves, their families, their neighborhoods and their community. The City’s vision is to maintain a socially and economically diverse city of homeowners and renters afforded this right.

Within this context, the City’s 2000–2005 Housing Element is organized around several primary programmatic efforts. These are:

- Housing Supply
- Housing Rehabilitation
- Housing Preservation
- Homeowner Assistance
- Rental Assistance
- Special Needs

The remainder of this chapter discusses each goal and associated program, evaluates the various accomplishments, and proposes modifications to existing programs where needed to improve its effectiveness.

## GOAL 1: HOUSING PRODUCTION

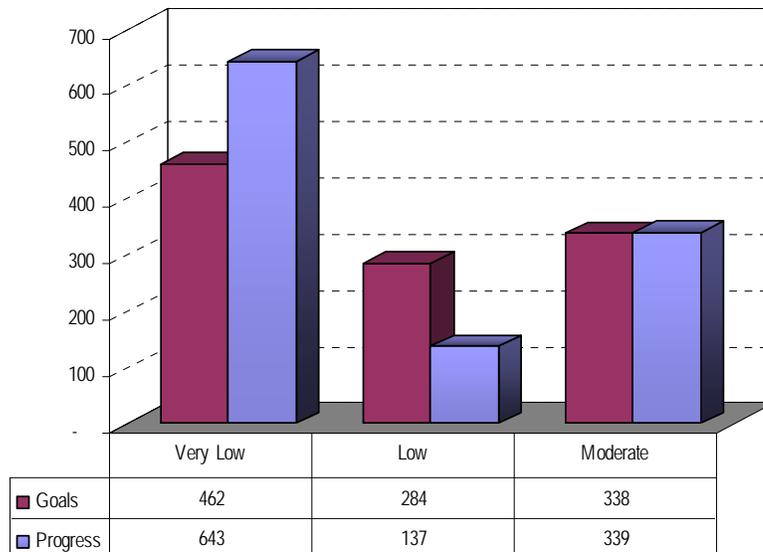


Affordable housing production is one of the most significant issues facing Pasadena as well as all cities in California. As part of this effort, state law requires cities in California to update their Housing Element, one chapter of the General Plan. The Housing Element is designed with the express purpose of facilitating the production, improvement, and conservation of housing.

Every five years, the Southern California Association of Governments (SCAG) issues housing production goals for each city in the region (see text box discussion). With respect to housing production, each city must facilitate and encourage the production of housing commensurate with its share of the region’s need for new housing. This share includes four affordability levels. Pasadena allocation of 1,777 units had the following affordability breakdown:

- 462 units affordable to Very Low Income households
- 284 units affordable to Low Income households
- 338 units affordable to Moderate Income households
- 693 units affordable to Above Moderate Income

The City achieved all of its housing production goals through the construction of affordable units, collection of in-lieu fees for affordable housing, and preservation of units under imminent threat of conversion to market rates. The City’s progress is shown below and further described later in this chapter.



**Chart 5-1 Housing Construction Goals and Accomplishments, 1998–2005**

\* Includes housing units where public funding was earmarked for affordable units, but in which the construction of units did not occur prior to January 1, 2006.

The City's progress toward meeting its goals was determined by counting all building permits issued during that period, projects funded during that planning period (1998–2005) but not necessarily completed, in-lieu fees collected during that period, and existing affordable units at imminent risk of conversion to market rents that were preserved during the planning period. These criteria provide a more accurate picture of progress, because other factors beyond the City's control determine the actual production of units.



#### Affordable Housing Examples

##### **Lincoln Idaho Townhomes.**

Construction of an eight-unit townhouse project for low and moderate income households by Affordable Housing Consolidated. Received \$710,000 in City assistance.

##### **Rosewalk Townhomes.**

Construction of 46-unit townhouse project, including 11 units affordable to moderate income by the Olson Company. Received \$3.6 million in financial assistance.

##### **Acapella Apartments.**

Construction of a 143-unit apartment building with 12 units restricted to be affordable to low and moderate income households. Facilitated via density bonus and inclusionary requirements.

- **Very Low.** The City's goal was to facilitate the construction of 462 very low income units and 191 new units were created or funded during the planning period, for a total progress of 42 percent. However, the City also preserved 452 very low income units through committed financial assistance to the Green Hotel and Kings Village Apartments. If these projects are added, the City exceeded its very low income goal.
- **Low Income.** The City's goal was 284 low income units. During the planning period, the City funded or saw built 74 units deed restricted to low income households. In addition, the City approved Inclusionary Housing Plans that will result in in-lieu fees for 63 low income units. The remaining allocation of unmet low income units (147 low income units) was actually satisfied by the surplus of very low income units produced under the IHO.
- **Moderate.** The City achieved its moderate income goal. Of this total, however, 169 units were dormitory units for moderate income students at Fuller Theological Seminary and 80 units were for Green Street SROs (which were approved during the planning period and just recently issued building permits). The remainder of this goal was met through the construction of town homes and single-family homes.
- **Above Moderate.** The City's goal was 693 housing units affordable to above-moderate income households. The City does not track the number of unrestricted units built. However, assuming that more than 4,000 units were issued building permits during the planning period and approximately 500 were deed restricted as affordable, the remainder would be at least 3,500 market rate units. In this market, such units would be affordable to above moderate income households.

Taken together, the City met its targets for new housing production, with the following caveats—the majority of the low income goal was due to the preservation and rehabilitation of at-risk projects and the majority of the moderate income goal. Notwithstanding this progress, the following section evaluates the City's Inclusionary Housing Ordinance and suggests modifications to better align outcomes with current housing needs in the City's changing housing market.

## INCLUSIONARY HOUSING

In 2000, Pasadena adopted its Inclusionary Housing Ordinance (IHO). This program requires 15 percent of all housing developed to be sold at prices or rented at rates affordable to low and moderate income households. For units for sale, 15 percent shall be affordable to low and moderate income households for 45 years, subject to a renewable covenant if the units is sold. For rental projects, at least 10 percent shall be affordable to low income households and 5 percent for moderate income households and the affordability covenant is in perpetuity.

As an alternative to the on-site production of affordable housing units, the developer may pay in-lieu fees, dedicate land, or provide the housing units off-site. The land option is rarely used due to the lack of available sites. The fee ranges from \$0 to \$30 per square foot for rental units and \$14 to \$53 per square foot for ownership units. The IHO offers additional regulatory incentives that provide cost savings to the developer or increase potential rental/sales income. These include: (1) fee reductions or waivers, (2) density bonuses, (3) the modification of development standards, and (4) the expedited processing.



In addition, if the developer provides a greater level of unit affordability (e.g., very low instead of low income), they receive a greater credit toward their HO requirements. If a developer provides very low income units in lieu of the required low income units, the project receives a credit of 1.5 affordable units for each unit actually provided. If very low income units are provided instead of the required moderate income units, the developer will receive a credit of two affordable units for every unit actually provided. Low income units also receive a 1.5-unit credit if provided in lieu of required moderate income units.

### Assessment

The IHO serves as the primary City program designed to produce affordable housing, and was responsible for the production of more than 500 affordable units. The City also facilitated other affordable housing production through a variety of local, state, and federal financial assistance. The City assisted in the preservation of 452 very low income units, combined at the 313-unit Kings Village Apartments and the 139-unit Green Street Hotel, which both qualify toward meeting housing production targets under state housing element law. In-lieu fee collections will also fund new housing projects in the future.

The IHO program, while successful in building long-term affordable units, is highly sensitive to housing market dynamics. Whereas the strong market has allowed developers to provide inclusionary units, changing housing prices appears to be affecting residential developers in Pasadena. In some cases, developers bought commercial land to build new housing and, with the recent downturn, must now consider whether to build housing, resell the land, or build commercial product instead. In other cases, developers may be building products based on projected rents and sales prices that are no longer achievable in this market.

Maintaining flexibility in the IHO program is key. Recently, a developer requested permission to satisfy its off-site inclusionary requirement by purchasing, rehabilitating, and placing a covenant on an older apartment. Though not necessarily producing new units, this method does achieve the same goals, but places a greater emphasis on protecting existing residents. Presently, the City may use IHT funds for the same purposes, to not only preserve and rehabilitate units, but also improve neighborhoods and prevent the displacement of tenants. Thus, the flexibility requested by the developer is not inconsistent with City policy, provided tenant protections are ensured.



The City will continue to receive IHTF for housing activities. The City has great discretion in the use of trust funds, although the emphasis is placed on very low and low income housing. In recent years, there has been discussion on the use of trust funds for workforce housing, homeownership assistance, rehabilitation, preservation, and other important housing goals. At a citywide policy level, greater clarity in defining what constitutes the appropriate use of IHTF is particularly important given the information provided in the housing needs chapter on the most pressing needs in the community.

The Housing Needs Assessment underscores the critical need for affordable housing to families with children: a four-person family would need to earn \$92,000 to afford a three-bedroom apartment. The City's Policy on Children, Youth, and Families further underscores the importance of decent, safe, and affordable housing for families with children. In recent years, developers have primarily produced studio, one-, and two-bedroom units with almost no three-bedroom units suitable for families. Since the IHO is the primary means of producing affordable housing, this omission is a concern.

### Modification

Maintaining flexibility in a dynamic and changing housing market and ensuring intentionality in meeting the City's most pressing housing needs are critical for the continued success of the IHO. In this light, the City of Pasadena could consider the following modifications to better achieve program goals:

- 1) Allow greater flexibility in meeting the off-site requirement by allowing developers to purchase, rehabilitate, and covenant existing apartments within a framework that meets housing element law requirements.
- 2) Reexamine the City's expenditure policy for IHTF in light of the City's most recent housing needs, costs of subsidies, tenure, and diversity goals and adopt a citywide policy statement.
- 3) Reexamine incentives that will encourage the retention of affordable housing units for families, specifically three-bedroom units that are suitable for children.

## GOAL 2: HOUSING REHABILITATION

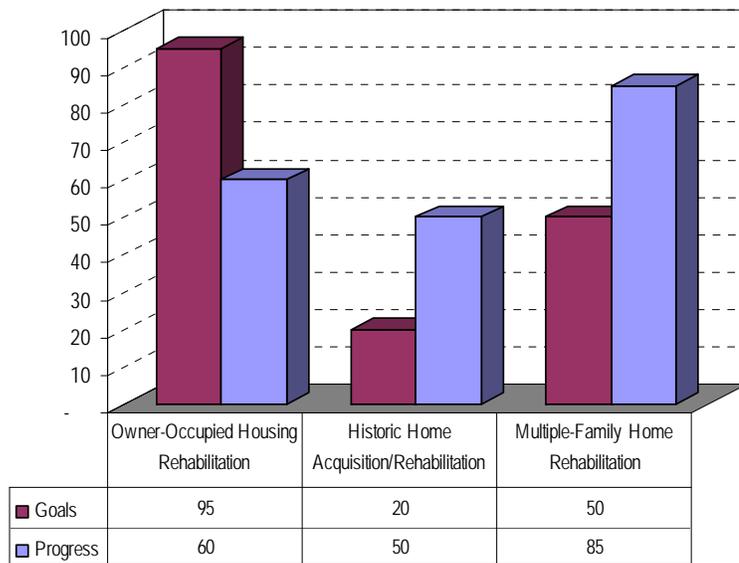


The Housing Element, Consolidated Plan, and Northwest Community Plan each reiterate the City’s commitment to providing a nurturing environment for residents by increasing the supply of adequate and affordable housing, recognizing that safe, clean, and sanitary housing is critical to quality of life, and promoting strong and supportive neighborhoods to build and nurture strong families. Quality housing is a major factor of this strategy.

The 2000 Housing Element set forth a variety of housing and neighborhood programs to address these issues. The four major rehabilitation and neighborhood investment programs are:

- PNHS Neighborhood Impact
- Historic Acquisition and Rehabilitation
- Pasadena CDC Multifamily Housing Rehabilitation
- Neighborhood Revitalization Program (NRP)
- Maintenance Assistance to Homeowners (MASH)

The 2000–2005 Housing Element sets forth a quantified objective to rehabilitate 165 rental, ownership, and historic properties during the five-year period. As illustrated below, the City assisted approximately 155 households—matching the total goal. Historic home rehabilitation and multiple-family rehabilitation goals were met; only the owner-occupied program fell short of its goal, though it still achieved two-thirds of the goals. The NRP did not have a quantified objective so it is not shown in the chart below.



**Chart 5-2 Housing Rehabilitation Goals and Accomplishments, 2000–2005**

## OWNER-OCCUPIED HOME REHABILITATION

Pasadena Neighborhood Housing Services (PNHS), a private, nonprofit, community-based housing organization, administers the Neighborhood Impact program. This program provides loans for residents to assist with correcting code violations and meeting City/State health and safety requirements. Eligible properties include an owner-occupied single-family unit or condominium, duplex, triplex, or quadplex. Loans can range up to \$50,000 offered at deferred interest rates ranging from 0 to 4 percent.

City and PNHS marketing efforts are viewed as critical to program success. PNHS currently markets the program City-wide through a wide variety of venues. Given the demographic makeup of the Northwest Pasadena area, PNHS is supplementing its marketing program to include specific outreach to the Latino community. This outreach strategy includes placing advertisements in *La Opinión* and expanded partnership with El Centro de Acción Social to advertise the home rehabilitation program.

### Assessment

The PNHS Neighborhood Impact program accomplished two-thirds of its goal. Although the program has been highly successful in expanding homeownership opportunities to lower income Pasadena households, the program has become less effective over the past several years. This is because few homes are able to be sold at low enough prices that, with the combination of City subsidies, can be afforded by lower income households. The program's regulatory structure allows a maximum 25 percent of funds to be spent outside the benefit service area, which may result in some homeowners being disqualified. However, the program does allow the City additional flexibility in addressing these cases. Despite these small exceptions, the program is working well.

### Modification

Given the age of the City's housing stock and visual assessment of housing conditions within Pasadena's lower income neighborhoods, the need for single-family (owner-occupied) home improvements remains high. Most of the need is within Northwest and North Central Pasadena, yet there are isolated instances elsewhere in the City. To improve utilization of the owner-occupied homeowner rehabilitation program, the City may explore the following:

- 1) Conduct a housing conditions survey to identify target areas, particularly within existing or past NRP areas.
- 2) Link the program's marketing efforts closely with the NRP Program so that code enforcement cases are directly referred to HCD staff.
- 3) Augment the current sources of program funding, such as RDA set-aside, to assist moderate (120 percent MFI) income households.
- 4) Evaluate recent marketing efforts to the Latino community and augment as needed via schools, churches, service agencies, etc.



## HISTORIC HOME ACQUISITION AND REHABILITATION

The historic home program is designed to acquire and improve historic homes along with providing homeownership assistance where applicable. This program can involve the acquisition of properties that contribute to neighborhood distress, rehabilitation of properties using preservation techniques to enhance the home's original character, and sale of the home at prices affordable to low to moderate income households. The City encourages historic home rehabilitation and the provision of incentives to facilitate rehabilitation. The City passed the Mills Act and made various changes to the Municipal Code to incentivize more historic rehabilitation.

Heritage Housing Partners played a significant role in rehabilitating historic homes or properties. Between 2000 and 2005, HHP utilized grants to help rehabilitate 45 historic homes. In 2003, the HHP program was reconfigured to focus on acquisition/rehabilitation/construction as well. HHP is involved in the planning and development stages of Fair Oaks Court, encompassing 40 units of new and historic for-sale affordable housing. In addition to construction of 32 Arts and Crafts-style townhomes, the project involves the rehabilitation of 8 historic homes on the site, and the relocation of 4 homes to a nearby location. The entire project is targeted for completion in late 2008.

Once work is completed, 32 of the new and rehabilitated units will be sold to moderate income buyers and 18 will be sold to low income families. Four units, all of which will be existing houses that have been rehabilitated on the property, will be sold at market rates to prospective homebuyers. The sales prices for all the units are expected to range from \$87,000 to \$487,000, depending on the number of bedrooms and income requirements.



*Heritage Housing Partners Fair Oaks Project, Construction underway*

A unique financing mechanism used for the project is New Market Tax Credits. The New Markets Tax Credit (NMTC) was created to address the lack of capital available to business and economic development ventures in low income communities. The NMTC provides the incentive of a federal tax credit to individuals or corporations that invest in Community Development Entities (CDE) working in targeted low income communities. This program allows corporations to gain a significant tax shelter for funds invested in housing and commercial projects in qualified distressed areas. This project is one of the first ownership projects to leverage this funding source.

## MULTIFAMILY RENTAL REHABILITATION PROGRAM



The Pasadena CDC administers the Rental Rehabilitation Program (RRP), which provides rehabilitation loans to owners of rental properties that are occupied by lower income renters. The program is principally funded by HOME funds, and is restricted for projects serving lower income renters. The loan term is based on the amount of HOME funds used on a per-unit basis, but typically is 55 years consistent with redevelopment project area requirements. The interest rate is 4 percent and repayment is determined by project cash flow.

### Assessment

The RRP exceeded its goal—rehabilitating 85 multiple-family housing units compared to a goal of 50. However, City staff indicates a greater difficulty in recent years in soliciting participation. In such a strong real estate market, where property owners are seeing significant appreciation and low interest rates are available for major rehabilitation, investors will not likely approach the CDC because of the covenant, which requires the investor to rent to either low or moderate income households, requires rents to be restricted to prescribed level, and requires the property to be maintained. By waiting for redevelopment or rehabilitation to occur in neighboring properties, property owners can then raise rents without necessarily making any repairs.

Under the present market and federal funding limits, the rental rehabilitation program will work well only in increasingly limited situations. These situations are primarily twofold: (1) the property is in a very distressed condition and needs major rehabilitation; and (2) rents are already below market rates or the project is under the Section 8 program. In these cases, the RRP offers an incentive to rehabilitate and upgrade the property, increasing its value so it can be sold at a later date for a higher value.

### Modification

Because of the declining participation in the RRP, the City has on occasion supplemented HOME funds with other federal dollars to focus on new construction, such as the New Revelation project, which will consist of an eight-unit permanent supportive housing project for homeless people. However, there is still a significant need for rental rehabilitation. If the City wishes to continue major rental rehabilitation, several recommendations are offered:

- 1) Identify properties that are best candidates.
- 2) Allow greater flexibility with the rent structure to allow the property owner to receive a higher rate of return.
- 3) Introduce greater flexibility in underwriting criteria.
- 4) Provide additional incentives to increase investment participation (e.g., fee waivers for workforce housing, expedited processing).

## NEIGHBORHOOD REVITALIZATION



The City administers a Neighborhood Revitalization Program (NRP) for the Northwest Pasadena area. The NRP addresses blighted areas by focusing a range of City programs into one neighborhood to address issues affecting quality of life. Services include housing inspection, property maintenance, traffic safety, crime abatement, and graffiti removal. A fundamental goal of the program is to empower residents to improve and sustain their neighborhoods. The City works with neighborhood groups to understand their needs, link them with City resources, and maintain a strong working partnership.

### Assessment

Several challenges affect the program's success. Gang violence and racial tensions occur throughout the Los Angeles metropolitan area and these racial tensions spill over to Pasadena. Other global issues affecting the Northwest include the need for well-paying jobs, and supportive family services to create and maintain a sustainable and nurturing environment for Pasadena residents, families, and children.

In assessing its effectiveness, City staff has noted that addressing housing conditions is a critical component, yet participation from owners of smaller multiple-family properties is limited. The City's Maintenance Assistance and Services to Homeowners program focuses on single-family homes and PNHS focuses on owner-occupied buildings. Property owners rarely live in these small projects and are thus ineligible for PNHS funds. Moreover, they typically do not seek Pasadena CDC funds because of the affordability restrictions.

Community outreach is essential for program success, both to remedy blight conditions and prevent recurrence of blight after improvements have been made to an area. Properties are often bought without full understanding of City expectations for maintenance. These properties soon become problems for the neighborhood and code enforcement. Moreover, it was noted that the Northwest Commission has limited involvement in monitoring the problem, though this program is one of the key programs affecting the Northwest.

### Modification

Taken together, the NRP program, though successful in the past, could benefit from several program modifications to maximize its success. These include:

- 1) Augment outreach efforts, particularly bilingual efforts, to communicate City regulations, thus preventing problems from arising.
- 2) Include housing rehabilitation or renovation as a key focus of the PHNS or RRP programs to incentivize rehabilitation of housing.
- 3) Involve the Northwest Commission in the NRP program through quarterly review, assessment of program activities, and resident input.

## GOAL 3: HOUSING PRESERVATION

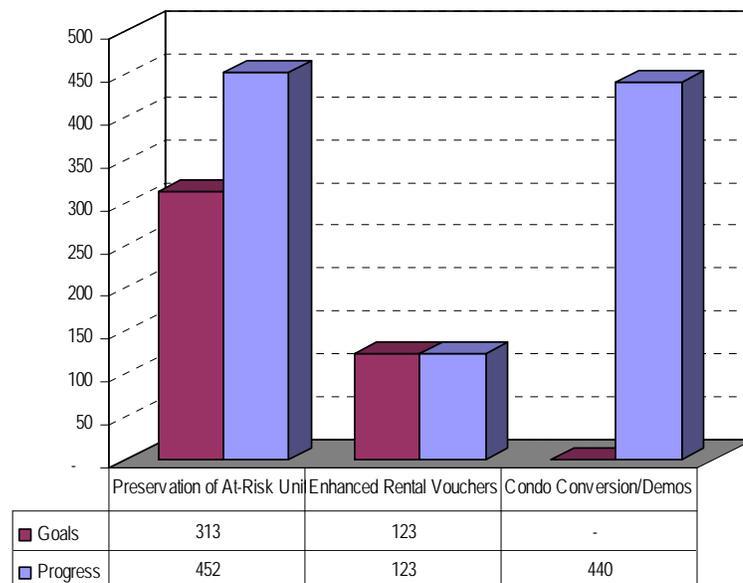


Preservation of affordable housing is a key means in Pasadena to avoid the displacement of residents and maintain the economic and social diversity of the community. Affordable housing preservation is also a more cost-effective way to provide affordable housing than building new residential projects, given the cost of land, construction costs, and difficulties of securing financing.

The 2000–2005 Housing Element identified specific projects to preserve during the planning period. Subsequent to adoption, several important efforts were undertaken to support the City’s preservation objectives. As of 2006, the City’s preservation effort involves three interrelated efforts:

- Preservation of At-Risk Affordable Housing
- Condominium Conversions and Demolitions
- Tenant Protections

The 2000–2005 Housing Element set a goal to preserve 450 affordable housing units at risk of conversion to market rents, but did not set goals for condominium conversions nor replacement of demolished housing, as these issues were not prominent at that time. Shown below, the City well exceeded its goal for preserving affordable housing at risk of conversion to market rents. However, the City also lost 440 affordable units to condominium conversions and demolition—most of which occurred in 2006.



**Chart 5-3 Housing Preservation Goals and Accomplishments, 2000–2005**

## PRESERVATION OF AT-RISK AFFORDABLE HOUSING

The City's housing preservation effort consists of monitoring the status of at-risk projects in the community and offering assistance to projects that provide notice of the intent to opt out. In certain cases where the City becomes aware of the potential conversion of an assisted affordable housing project to market rents, the City has been active in facilitating its long-term preservation. The City set forth an aggressive goal to preserve 600 affordable rental units at various multiple-family projects in Pasadena.

### Assessment

The City's Preservation Program was successful in preserving 575 affordable units at risk of converting. The City assisted in preserving the Kings Village Apartments, a 313-unit project for very low income families for 40 years. Acquisition and rehabilitation costs totaled \$37.7 million, including \$1.7 million in City assistance. In 2006, the City provided financial assistance to rehabilitate and preserve affordability restrictions for the Green Hotel, a 138-unit project for very low income seniors. Moreover, the City received 123 enhanced vouchers for the Sky Vista and La Villa Lake projects, former Section 236(j)(1) projects that prepaid their mortgages and opted out of Section 8. These preservation efforts are tremendous successes for the City.

Over the next ten years, more than 1,000 units are at risk of conversion. Some are owned by nonprofits and are not greatly at risk of conversion, while other projects are owned by for-profit entities and are more imminently at risk. However, other challenges and opportunities appear to be on the near horizon. As the Central District reaches its building capacity, developers will have greater incentive to demolish older and more affordable rentals units outside the Central District and replace them with higher-end rental products.

### Modification

Although tenants will be provided relocation assistance in all the above cases, these situations illustrate the importance of concentrating greater efforts on these potential conversion options. In light of this, the City's current housing preservation efforts could be expanded to include the following:

- 1) Hire additional program staff to augment City efforts.
- 2) Regularly meet with owners to identify their intentions and needs.
- 3) Examine conversion and preservation potential for each project.
- 4) Administer/monitor compliance with state and local regulations.
- 5) Broaden preservation program to include purchase of existing apartments and potentially a replacement requirement.

## CONDOMINIUM CONVERSION

When the Housing Element was drafted for the 2000–2005 planning period, the City was implementing the State Subdivision Map Act with respect to condominium conversions. However, in 2004, in response to an increasing interest on condominium conversions and impact on the rental stock, the City of Pasadena adopted standards for conversion projects that provided enhanced regulations for relocation counseling, relocation assistance, first right of refusal, and rent increases.

### Assessment

The Standards for Conversion Projects Ordinance and the Rental Housing Protections Ordinance were originally drafted to address the potential displacement of residents noted by the Housing Affordability Task Force. Although few condominium conversions were taking place in 2004, the City Council felt that additional protections were needed to address the displacement of residents when condominium conversions would occur. Therefore, the City Council enacted a range of regulatory measures widely modeled after state law.

In 2006 alone, 334 apartments were approved for condominium conversions —nearly double the total number of conversions approved in the last 25 years. City statistics indicate that many of the units were below-market rents and affordable to lower and moderate income households. The City would need to spend \$50 million to build 334 affordable units needed to replace the apartments lost to condominium conversions that occurred in 2006. This level of production is equivalent to half of all the inclusionary housing units built in the City since the program began.

### Modification

Given these trends, it is appropriate to consider extending the affordability requirement to cover the conversion of apartments to condominiums. Such a program is widely adopted in many communities with the same market dynamics, such as the City of San Diego. This measure would allow developers to receive a reasonable rate of return on properties, make homeownership attainable for first-time buyers, and help stem the tide of displacement in the City. Program parameters should consider the following:

- 1) Consistency with the Inclusionary Housing Program with respect to income levels, affordability terms, and other key terms;
- 2) Phased-in affordability requirements for projects of different sizes that target moderate and workforce income households;
- 3) Long-term affordability covenants that mirror protections under the existing inclusionary ordinance;
- 4) Provision to recapture equity in case a project is sold before the term ends and/or allows the City the first right of refusal;
- 5) Consistency with the City’s Tenant Protections Ordinance with respect to relocation assistance and benefits, noticing, and other key terms.

## TENANT PROTECTION/DISPLACEMENT POLICY

Since 2000, Pasadena has been experiencing significant condominium conversions, demolitions, and rising rents—all contributing to the displacement of long-term very low, low, and moderate income residents. The City drafted two policies to address displacement. Under the Tenant Protections Ordinance, property owners must pay relocation and/or relocation assistance for people involuntarily displaced from rentals or condominium conversions when the tenant was not at fault for the eviction.

The second policy was the Local Preference and Priority System Guidelines. For affordable and/or workforce housing sponsored and/or supported by the City/Commission, the City must use a priority system whenever housing units are available to income-eligible applicants: first priority, to households that reside and work in Pasadena; second, to households that reside in Pasadena; third, to households that work in Pasadena; and fourth, to households that have been involuntarily displaced from the City of Pasadena.

### Assessment

The Tenant Protection Ordinance is designed to provide tenants in good standing a measure of relief when they are involuntarily evicted due to a wide number of reasons, but through no fault of their own. Typically, more modest housing is taken out of the rental market, which is often occupied by lower income and minority households. The Ordinance has helped protect and/or compensate tenants when they are relocated in or outside the City, but in the latter case, it does not have a provision to allow the tenant to relocate back into the City.

Should displaced tenants wish to relocate back into Pasadena, they would apply through the Local Preference and Priority System Guidelines. Displaced individuals are placed in the “pool” for priority preference should City-sponsored or supported housing become available. However, displaced residents must now “compete” with other nonresident households for limited new units. One could argue that previously displaced tenants should have first priority (because they were displaced at no fault) and if they did, the City could more effectively stem the loss of diversity currently occurring in the community.

### Modification

Specifically, the City could modify the Tenant Protections Ordinance and Local Preference and Priority System Guidelines to help maintain the diversity of the community. First, the City could modify priority preference system for new City-sponsored/funded units by providing first priority preference for involuntarily displaced residents. In addition, the priority preference could also apply to those displaced as a result of condominium conversions.

## GOAL 4: HOMEOWNERSHIP ASSISTANCE



Expanding homeownership to residents in Pasadena is an important goal. While homeownership has always been difficult for lower income residents, recent price escalation has also pushed moderate income buyers out of the market. Homeownership still remains a priority as a means to encourage long-term residency, address the needs of Pasadena’s workforce, stabilize neighborhoods, and provide housing opportunities for people of different income levels.

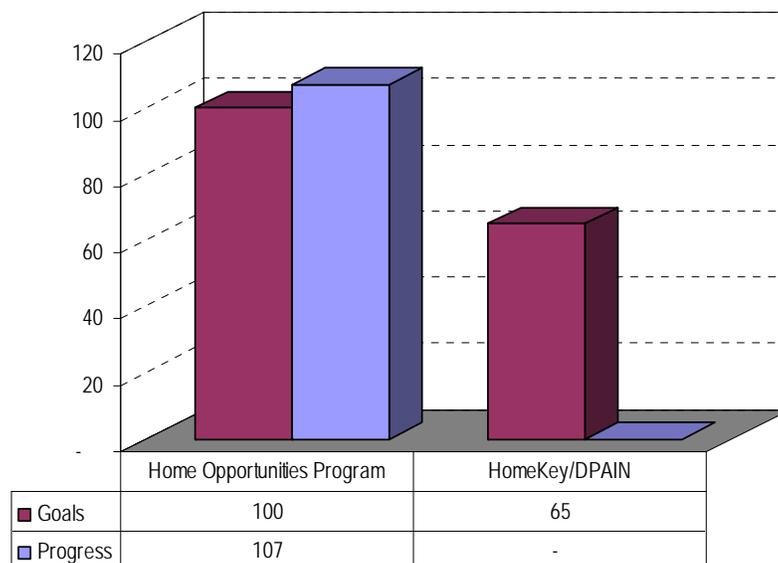
The 2000–2005 Housing Element set forth two City programs to assist homeownership for low and moderate income households. Two other programs administered by non-City agencies were also listed as sources of funds.

- Homeownership Opportunities Program
- HomeKey/DPAIN Program
- Mortgage Credit Certificate
- Lease-Purchase Programs



*Rio Grande Townhomes includes four affordable units for low and moderate income households.*

The 2000–2005 Housing Element set forth the goal to assist 165 households. As of 2005, the City assisted 107 households under HOP program. The DPAIN program was terminated shortly after the program started (because conventional financing offered more advantageous terms). The MCC and Lease-Purchase Programs are not administered by the City and thus program goals and objectives are not presented.



**Chart 5-4 Homeownership Goals and Accomplishments, 2000–2005**

## DOWN PAYMENT ASSISTANCE

Similar to many California cities, rising real estate prices in Pasadena have necessitated discontinuation of several homeownership programs. For instance, the DPAIN program was terminated due to the availability of more advantageous lower interest rates through conventional 30-year financing. And the MCC and Lease-Purchase programs, while popular in other communities, are infeasible in Pasadena due to the higher home prices. The following analysis thus focuses on the City's Homeownership Program.

The Homeownership Opportunities Program (HOP) provides assistance for low and moderate income homebuyers. The HOP provides a second trust deed of up to \$150,000 at below-market interest ranging from 4 to 6 percent. Prospective homebuyers must provide a 3 percent down payment. Payments are deferred for the first five years of the loan. Upon resale or refinancing of the home, the borrower must repay the outstanding amount owed on the HOP loan plus a share of the property's appreciation in value. Presently, Pasadena Neighborhood Housing Services provides homebuyer counseling and then refers qualified buyers to the City of Pasadena, who underwrites the loan.

### Assessment

The Consolidated Plan set a goal for assisting 100 buyers. Until a few years ago, the HOP Program averaged 30 home loans per year until the escalation in home prices decreased the number of potential buyers assisted. For instance, housing staff indicate the current affordability gap for a moderate income household to purchase the median-priced single-family home is between \$200,000 and \$300,000—making this program increasingly infeasible. Such high levels of ownership assistance raise concerns regarding the ability of a household to maintain payments on the City and primary bank loans. To serve residents, the City has begun to use IHTF because it is more flexible than RDA funds.

### Modification

To address these issues, the City of Pasadena is restructuring the HOP program to allow for greater City subsidies, guarantee affordable payments, and still maintain the goal of providing homeownership opportunities to low and moderate income residents. Proposed modifications include:

- 1) Increasing down payment assistance from the present level of \$150,000 to \$250,000 (was \$45,000 in 1998 when the program was initiated).
- 2) Increasing the standard loan term from 30 to 45 years to reduce the monthly amortized payment for the homeowner.
- 3) Allowing the City to recapture a share of appreciation within 10 years, instead of the original 5 years.
- 4) Continuing to allow City to exercise first right of refusal upon sale, but allow the purchase of the home at below-market price.
- 5) Restricting the resale of City-assisted units to low, moderate, and workforce households.



*Lincoln Townhomes offers eight affordable ownership units to low and moderate income households*

## GOAL 5: RENTAL ASSISTANCE

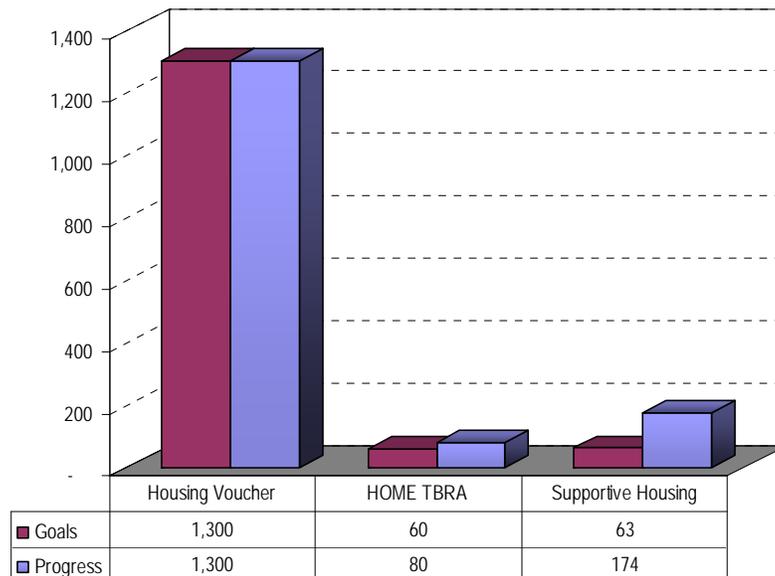


The Housing Element, Consolidated Plan, and Northwest Community Plan each reiterate the City’s commitment to providing a nurturing environment for residents by increasing the supply of adequate and affordable housing; recognizing that that safe, clean, and sanitary housing is critical to quality of life; and promoting strong and supportive neighborhoods to build and nurture strong families. Quality housing is a major factor of this strategy.

The 2000 Housing Element set forth three major rental assistance programs to meet the needs of its very low and low income households:

- Section 8/Housing Voucher Program
- HOME TBRA
- Supportive Housing

As shown below, the City’s goal for the 2000–2005 planning period was to serve 1,300 households through the Section 8/Housing Choice Voucher program, 60 households through the HOME Tenant Based Rental Assistance Program, and 150 households through the Supportive Housing Program. As illustrated below, the City’s rental assistance goals were either met or exceeded—a particularly noteworthy feat given the soaring rents of apartments in Pasadena.



**Chart 5-5 Rental Assistance Goals and Accomplishments, 2000–2005**

## RENTAL ASSISTANCE

The City implements several rental assistance programs designed to provide housing for very low income households, very low income people with special needs, and supportive housing. These programs include:



- **Housing Choice Voucher Program.** This program issues vouchers to eligible very low income households, who are responsible for locating a suitable unit, typically from the City’s list of participating properties. The program makes monthly rent payments to the property owner equal to the difference between what a very low income household can afford and the approved rent. Rents must be reasonable in relation to rents charged for comparable nonassisted units in the market area. The City’s goal of assisting 1,300 households was satisfied with a lease-up rate of 98.4 percent due to aggressive marketing by City staff.
- **HOME Tenant-based Rental Assistance.** In certain cases, temporary rental assistance is needed by very low income families due to special circumstances. These include involuntary displacement due to government action, health and safety hazards cited by the City, domestic violence, and temporary homelessness due to various events. Rental assistance under this program is available to very low income households but limited to a maximum of 24 months. Pasadena exceeded its five-year goal of assisting 60 needy households by serving approximately 80 households during the planning period.
- **Housing Opportunities for People with AIDS.** HOPWA is a federal program for housing for people with HIV/AIDS. This program provides grants for housing assistance and supportive services for low income families/individuals. The City receives HOPWA funds through the City of Los Angeles. Pasadena set forth a goal of assisting 25 low income households during the 2000–2005 planning period. Presently, the City has assisted 38 households, exceeding its initial goal. The City provides permanent supportive housing for individuals/families living with HIV/AIDS in Pasadena.
- **Shelter + Care.** This program provides housing and supportive services on a long-term basis for homeless persons with disabilities (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, AIDS, or related diseases) and their families. The program allows for a variety of housing choices and a range of supportive services for homeless people with disabilities. The City exceeded its goal of 38 households by supporting 138 households.

Altogether, the City of Pasadena has been very successful in meeting its overall housing assistance goals with respect to rental assistance for very low income, low income, and those with special needs. Therefore, the following evaluation focuses specifically on the federal Housing Choice Voucher program.

### Assessment



The Housing Choice Voucher program is designed to assist very low income renters afford rental housing. The City has been successful in maintaining a high lease-up rate of 98.4 percent for its 1,300 voucher holders. According to the 2000 Census estimates of extremely low income households, 71 percent of eligible African American households have a voucher, 18 percent of eligible White households hold a voucher, and 11 percent of Hispanic households hold a voucher. The City provides outreach to a number of newspapers to ensure a broad segment of the community is aware of when to file for the waiting list.

Federal programmatic changes have made the housing voucher program increasingly difficult to maintain and serve eligible households in Pasadena. Whereas in past years the City was guaranteed a set number of vouchers, the program was changed to only provide the City with a set dollar allocation. To assist the same number of households, the City has made drastic program changes, including decreasing household subsidies and increasing household occupancy policies (e.g., five persons for a two-bedroom unit).

The federal government also changed the formula for the fair market rent standard. Program changes allow property owners to charge higher rents if they are reasonable in light of the market. However, if the market rents increase faster than HUD-approved rents, but the current rents are reasonable for the local market, households will need to pay the additional rent increase. This change has increased the cost burden for Pasadena renters; in fact, more than 37 percent of all housing voucher holders overpay for rental housing.

Market conditions and federal regulations will continue to present significant challenges to the viability of the housing voucher program. With market rents in Pasadena well above HUD fair-market rent levels, landlords have limited financial incentive to participate in the program. When new owners purchase buildings with Section 8 tenants, owners typically implement significant rent increases as necessary to cover the debt service on the mortgage. This underscores the importance of working proactively with property owners.

### Modifications

The Housing Choice Voucher program has largely been successful and thus few changes are recommended at this time.

- 1) Work with new property owners in Section 8 buildings to remain in the program and consider the provision of regulatory and financial incentives to make participation more attractive to property owners.
- 2) Consider new local program modifications given proposed changes in the federal housing voucher program.
- 3) Reexamine and adjust, as appropriate, marketing and outreach strategies.

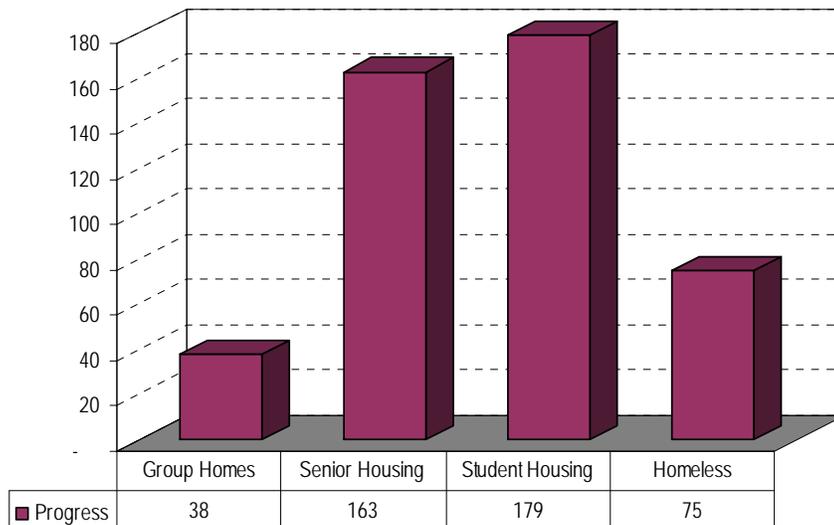
## GOAL 6: SPECIAL NEEDS



As a fundamental goal, the Housing Element and Consolidated Plan have to foster an inclusive community whereby people in all walks of life can find suitable, decent, and affordable housing. The Consolidated Plan set forth aggressive goals to address the City’s special needs population. This includes seniors, people with disabilities, college students, and other individuals and families whose circumstances make it difficult to find housing in Pasadena.

The Housing Element and Consolidated Plan set forth several key housing production programs. The Consolidated Plan and other documents govern the priorities for providing services to these and other special needs groups. Major efforts were undertaken to provide housing for people with disabilities, seniors, students and teachers, people who are homeless.

The City Consolidated Plan set a goal to provide 30 units of housing accessible to people with disabilities, 315 senior units, and 5 group homes. Moreover, the Continuum of Care Plan set a goal of creating new beds for emergency shelter, transitional housing, and permanent supportive housing. No goals were set forth for student housing. The chart below illustrates the City’s progress toward addressing special housing needs.



**Chart 5-6 Special Needs Goals and Accomplishments, 2000–2005**

## SENIOR HOUSING

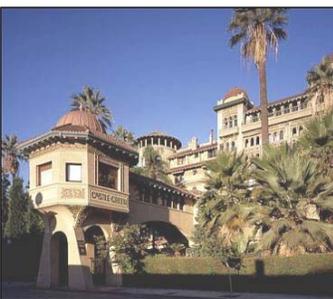


The Senior Housing program consists of a range of regulatory and financial incentives provided by the City to encourage the production of senior housing. For instance, affordable senior housing is permitted by right in many zones. The Zoning Code allows significant parking reductions, fee reductions, and other incentives to facilitate the production of affordable housing. The Pasadena CDC also provides financial assistance to affordable senior housing projects.

The City's goal was to facilitate the construction of 315 units of senior housing. Over the planning period, 163 senior units were produced in two projects (Beacon Housing and Fountain Glen) and an additional 139 affordable senior units were preserved at the Green Hotel. These projects are described below.



*Rose Court Senior Housing*



*Green Hotel*

- **Rose Court.** The City facilitated the construction of Rose Court, a 65-unit affordable project for very low income seniors. The project cost totaled \$6.3 million, with funding of \$5.2 million from the Department of Housing and Urban Development Section 202 program and a loan of \$625,000 from the City of Industry Funds administered through the County of Los Angeles Housing Authority. Pasadena CDC provided \$500,000 in the form of a third trust deed loan at a low interest rate of 2 percent per annum over a 40-year term.
- **Fountain Glen Apartments.** This 94-unit project near downtown Pasadena provides another option for seniors aged 55 years and older. This 98-unit project provides 94 market rate units and 4 affordable units through the IHO. The project offers a wide range of amenities including a clubhouse with planned social and physical activities, library/computer resource center, billiards room, and therapeutic spa. Underground parking is available. The project is located near downtown and near shopping, dining, and entertainment centers.
- **Green Hotel.** The City of Pasadena also assisted in the preservation of the Green Hotel, a 139-unit HUD-subsidized affordable housing project for very low income seniors. Dating back to the late 1890s, the Green Hotel is one of the most visible buildings in the Central District, and is a historic landmark in Pasadena. The City recently purchased a rental covenant for \$1.75 million, extending the affordability covenant of 21 units for 15 years and 117 units for 55 years. The agreement was contingent on the rehabilitation of the historic hotel.
- **Heritage Square.** The City has acquired 2.8 acres of land and issued a request for proposal for the Heritage Square Development. The RFP provides opportunity for additional senior housing development. Commission assistance is primarily the land. Other financing sources include New Market Tax Credits, Low Income Housing Tax Credit Equity, "City of Industry" Funds, conventional loans, and developer equity.

## HOUSING FOR PEOPLE WITH DISABILITIES

Pasadena has been actively involved in the provision of housing to meet the needs of people with disabilities. The City allows state-licensed homes serving six or fewer clients as by-right use in all residential districts; larger facilities serving seven or more clients require a conditional use permit. The City is also active in providing financial assistance to those facilities. In the last five years, the City has accomplished the following:



*Casa Maria Supportive Housing*



*Pasadena Accessible Apartments*

- **Serra Rose.** The City assisted in financing rehabilitation of a residence for low income disabled adults aged 59 years and older. Financing for the project totaled \$700,000 and included a \$450,000 grant from HUD, a Pasadena CDC loan of \$220,000 at 2 percent interest for 40 years, and participant contribution. The rental project will remain affordable to very low and low income residents for 40 years.
- **Wynn House.** The City assisted in financing the rehabilitation of a residence for six developmentally disabled residents from 18 to 59 years of age. Project financing consisted of a \$357,000 grant from HUD, a Pasadena CDC loan of \$220,000 at 2 percent interest for 40 years, and participant contribution. The rental project will remain affordable to very low and low income residents for 40 years.
- **Navarro House.** The City also assisted in financing the rehabilitation of housing accommodations and provision of supportive services for six adults with disabilities. Project funding of \$400,000 included a \$200,000 loan using Pasadena CDC HOME funds and a \$200,000 grant under the McKinney Homeless Assistance Act. The project will remain affordable to very low and low income residents for 40 years.
- **Pasadena Accessible Apartments.** In 2002, the City provided financial assistance to United Cerebral Palsy for the rehabilitation and conversion of a five-bungalow complex into accessible housing for 10 developmentally disabled adults. The project received City loan assistance of \$250,000, \$1.7 million in HUD Section 811 capital grant, a \$468,000 loan from the City of Industry funds, and other funds. HUD also provided an operating subsidy for the first five years. The project will be affordable to very low income renters for 40 years.
- **Villa Apartments.** In 2001, the City provided financial assistance to Villa Apartments Housing Foundation to rehabilitate a five-unit bungalow at 2089 Villa Street as affordable rental housing for 10 developmentally disabled, very low income adults. Total project cost of \$1.2 million was funded via a \$446,000 HUD Section 811 capital grant, \$511,000 loan from “City of Industry” funds, and a \$250,000 loan from the City. HUD also provided an operating subsidy for the first five years. The project will be affordable to very low income renters for 40 years.

## HOMELESS FACILITIES

The City of Pasadena works with a wide range of homeless service providers in the community. Over the past five years, the City has been particularly active in facilitating the development of emergency shelters, transitional housing, and permanent supportive housing as well as expanding services to homeless and formerly homeless individuals and families. This is accomplished through implementing various zoning and regulatory standards and providing financial assistance. Some of the more recent examples include:



*Family Center*



*Euclid Villa Project*

- **Family Center.** Union Station opened its Family Center in 2004. The Family Center offers families a safe and secure place to live while they are working to rebuild their lives. Services are designed to assist each family to find and maintain permanent housing, provide a supportive and nurturing environment for children, and help parents develop resources to meet their family’s medical, economic, educational and social needs. Families may stay for up to six months, until they become stabilized, secure a source of income, and obtain affordable housing.
- **Adult Center.** Union Station is completing the addition of a 20-bed dormitory for single women at the Adult Center. The new 4,000-square-foot addition will be located on a vacant lot adjacent to the existing structure. The new dorm will take an additional 60–80 homeless single women off the street each year. The expansion will create a second dormitory for single women and will include 20 beds, new office and community room space, and expansion of auxiliary services. Plans include new landscaping and fencing, an interior courtyard and additional parking for staff and volunteers.
- **Transitional Housing.** In 1998, Union Station, in partnership with Pacific Housing Alliance, opened Euclid Villa, a 14-unit transitional housing facility for formerly homeless families. Case managers work closely with each family to help them achieve financial and emotional stability and to secure permanent housing once their stay at Euclid Villa is complete. Funding was contributed by Pasadena (\$550,000), HUD Supportive Housing Grant (\$400,000), City of Glendale (\$600,000), California tax credits (\$900,000), and other sources.
- **Permanent Supportive Housing.** Pasadena has expanded its permanent supportive housing network. In 2003, Homes for Life Foundation constructed a new 21-unit apartment complex for formerly homeless people. The project consists of one-bedroom apartments for 20 formerly homeless individuals. These apartments are fully furnished, featuring one-bedroom, living/dining area, full kitchen, and bath. Residents pay 30 percent of their adjusted gross income for rent. The project received funding through the Department of Housing and Urban Development and City of Industry tax increment program.

## STUDENT HOUSING

As demonstrated in the Housing Needs Chapter, Pasadena's educational institutions accommodate more than 35,000 students and more than 5,000 employees. Providing sufficient housing is critical to attract and retain students as well as alleviate pressure on the rental market. Although no goals were set forth in the Housing Element, the City has been active in facilitating and encouraging the construction of student and professor housing in Pasadena.



- **Fuller Theological Seminary.** Fuller is located in downtown Pasadena and offers a range of housing choices, including cohousing, for its resident students. The City of Pasadena recent approved the construction of a new dormitory on the Fuller Theological Seminary campus. Fuller is experiencing a significant planned increase in enrollment. Given the very high demand for affordable housing for students, the construction of this 179-unit dormitory will provide additional housing and meet projected increased enrollment at Fuller.
- **California Institute of Technology.** The City is working with Caltech to revise their Campus Master Plan. Caltech provides a wide range of housing options for its students and faculty. In apartments, dormitories, and single-family homes. Caltech proposes to replace or rehabilitate the North Undergraduate Houses, including additions, or the construction of new undergraduate housing at the site of the existing North Undergraduate Houses, which will be demolished. The EIR for the project is currently under circulation.
- **Art College of Design.** The College of Arts currently maintains two campuses in Pasadena and has an enrollment of 1,500 students. The College does not have student housing at this time. As part of its 2033 Master Plan and Environmental Impact Report, the College is proposing the addition of up to 233 new housing units for students. This addition will help meet not only the demand for housing for student housing, but also free up rental apartments in the city.

### Modification

The City has been successful in meeting the needs of its special needs population. However, the City needs to focus on expanding opportunities to address the housing needs of students and teachers, perhaps through a joint program to provide ground leases on Pasadena Unified School District sites. The City will also need to make changes to its development regulations and programs to facilitate housing for people who are homeless to comply with recent changes made to State law that affect every city.



# Community Initiatives

This chapter summarizes community input from the Housing Affordability Task Force, Housing Luncheons, Housing Summit, and other housing task forces convened since the last 2000–2005 Housing Element.

## INTRODUCTION

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Pasadena is an excellent model of a successful urban community and citizen participation is critical to that vision. The City’s vision affirms that people who live and work in Pasadena are the greatest asset. Pasadena welcomes the involvement and commitment that produces a greater quality of life, with citizens and city government working in partnership. This vision is reflected in the General Plan as a guiding principle in that informed community participation is a permanent part of achieving a greater City. Such a process is also important for the Housing Element update.

Since the General Plan is a snapshot of community values at a given point in time, it is essential that there is a process for continuously involving the public in planning, monitoring, implementation, and updating of the General Plan. Informed discourse occurs where there is an exchange of clear and understandable information and opportunities and venues for citizen input are available. The need for public discussion is critical in the subject of housing. Pasadena, like many other cities, has wrestled with the challenge of providing affordable housing in an increasingly uncertain market.



In this context, the City has made a diligent attempt to continue the dialog on housing issues facing the community. Concurrent with the 2000–2005 Housing Element, Pasadena held forums for residents, stakeholders, and other interested groups to discuss housing needs facing the city and propose initiatives for consideration by City Council. The broadest effort was the *Housing Affordability Task Force* (HATF), a 19-member group that met for 9 months on housing issues of particular interest to the community. This process culminated in 2004 with a Housing Summit.



As in all public engagement efforts, agreement was not reached on all the issues. Several members of the HATF drafted a “Minority Report” that urged the City to take more significant steps to find resources to building new affordable housing for very low, low, and moderate-income households and institute stronger protections for existing residents. Specific recommendations included establishing a Rent Control Ordinance, Permanent Affordable Housing Commission, strengthened Inclusionary Housing Ordinance, Second Unit Ordinance, Commercial Linkage Fee, and other initiatives. These and other initiatives are a matter of public record and are on the City’s website.

In addition, the City of Pasadena held and/or participated in a number of other housing –related committees and task forces noted below:

- **Tenant Protections Task Force (2005).** A committee authorized by City Council to address potential protections for renters in light of escalating rents and the concern over displacement of renters.
- **City of Gardens Committee (2005).** A committee organized to review the City’s Garden Design Standards to evaluate modifications to meet the intent of the ordinance while also facilitate the production of new housing.
- **PUSD 711 Commission (2005).** A commission initiated by Pasadena Unified School District (PUSD) that was designed to investigate and evaluate the use of surplus school sites for housing and other uses.
- **Housing Summit (2006).** A City-led workshop that further distilled various housing initiatives proposed for consideration to address recommendations of the prior four forums.
- **Housing Agenda for Action (2006).** A comprehensive evaluation of existing housing programs and future or proposed housing initiatives done in concert with The Planning Center and Urban Land Institute.
- **Workforce Housing Task Force (2007).** A commission focusing on the creation of workforce housing, an income group that is currently ineligible for City housing assistance and unable to afford housing.
- **Condominium Conversion Task Force (2008).** A task force intended to study the issue of loss of affordable units due to condominium conversions and impact on the supply of affordable rental housing.
- **Second Unit Community Meetings (2009).** The City also completed a series of community meetings to evaluate its second unit ordinance to determine potential modifications that might incentivize the production of second units.

The remainder of this chapter discusses key issues raised during these forums, programs offered and considered, and City responses to the comments and suggestions offered. The issues are grouped into six categories for ease of presentation.

## ISSUE 1: HOUSING PRODUCTION

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The City of Pasadena’s need for affordable housing has been the result of many factors. The demand for housing has been fueled by historical underproduction of housing in the San Gabriel Valley, demographic change locally and regionally, and the emergence of Pasadena as the major city center for employment, history/culture, and education. As the San Gabriel Valley continues to experience population and employment growth, these factors will increase the demand for and price of housing.

The Housing Affordability Task Force (HATF) identified key issues that cumulatively contribute to the housing shortage today. These issues are as follows:

- **Greater Need for Affordable Units.** Preliminary regional housing need figures indicate an unmet future housing need for 2,982 housing units from 2005–2014. Of these new units, an estimated 54 percent of the new housing need will be needed for very low, low, and moderate income households. Production goals will likely be similar for future planning periods as well.
- **City Buildout.** The City is approaching residential buildout in downtown—many of the specific areas that have historically accommodated housing are reaching their cap. Yet wants to preserve lower density character in existing neighborhoods. These factors underscore the importance of targeting growth to selected areas and transportation corridors best suited to accommodate housing.
- **Development Standards.** The HATF contended that development standards, such as open space requirements and City of Gardens requirements, could be constraining the production of housing and, by inference, the production of affordable housing subject to the inclusionary housing ordinance. Mention was also made of potentially revisiting the second unit ordinance as well.
- **Lack of Regional Coordination.** The lack of regional coordination and inter-jurisdictional equity in the development and dispersion of affordable housing among cities in the San Gabriel Valley and the Arroyo/Verdugo subregions. Although each jurisdiction within the area is responsible for meeting its own housing obligations, Pasadena is the only city that meets its needs.
- **Housing Prices.** Although not originally identified by the HATF, the increase in housing prices has also resulted from historically low interest rates, lax lending practices allowed, over-valued land prices, and sheer speculation in the housing market. These market forces were to come to fruition in 2007 and, in part, led to one of the deepest downturns in recent memory.

The remainder of this chapter lists each major housing program discussed, assesses the applicability and appropriateness of the housing program for the City of Pasadena, indicates progress and/or accomplishments to date in each program, and concludes with several program recommendations for further discussion or implementation.

**Table 6-1: Housing Initiatives to Increase New Housing**



Community-Suggested Programs	Assessment
<p><b>Reduce Open Space Requirement</b></p> <p>Reduce the open space requirements in residential/commercial mixed-use areas to increase maximum achievable density of mixed-use projects.</p>	<p>Residential densities in Central District are already very high (48 to 87 du/acre), not counting density bonuses. Residential densities of 48 units per acre permitted in CO zone, and 32 units per acre in the CL zone. With densities this high, maintaining sufficient open space in private development is key to ensuring livability.</p> <p>Even if maximum residential densities increased by the reduction of open space, the number of affordable units created would be limited to only 15 percent of new housing units. The tradeoff between the loss of valuable open space that contributes to quality of life and the marginal increase in affordable housing is not desirable. Maintaining quality of life in a highly urbanized setting is a critical goal of Pasadena.</p>
<p><b>Amend Central District Specific Plan</b></p> <p>Amend the Central District Specific Plan to provide for increased densities as a means to facilitate the production of additional housing.</p>	<p>The Central District has a limit of 5,095 net market rate units, but has reached its maximum cap under the General Plan and could not accommodate more units without a General Plan Amendment. Adding density in this dense environment without adequate park and recreational area is inconsistent with quality of life goals.</p> <p>Meanwhile, other specific plan areas can accommodate 2,300 additional units by 2015, and areas outside specific plans areas can accommodate 1,500 units by 2015. Targeting growth to other areas is more consistent with the City’s General Plan land use goals, neighborhood preservation goals, and quality of life goals.</p>
<p><b>Housing Outside Central District - Amend City of Gardens Standards</b></p> <p>Given that the primary areas for future development of multiple-family housing are located outside the Central District and Specific Plan areas, the City could facilitate more housing in either the RM 32 and/or RM-48 zoned areas.</p> <p>Residential development in these areas is regulated by “Gardens Standards.” These standards could be amended to provide greater development flexibility to allow new projects to achieve maximum allowable densities—thus increasing the supply of affordable housing.</p>	<p>The City of Gardens Standards have been very successful in creating livable multiple-family projects with ample park and open space. At the same time, City staff recognized that the Gardens Standards could preclude achievement of maximum densities and thus result in the loss of affordable housing under the density bonus provisions allowed under local and state law.</p> <p>Pursuant to a study, the Gardens Ordinance was amended to include the following flexibility:</p> <ol style="list-style-type: none"> <li>1) Adjustments to address impacts of three-story buildings adjacent to RS districts</li> <li>2) Allowances for surface parking beyond the rear 40 percent of the project site</li> <li>3) Allowances for greater building height on lots greater than 60 feet in width</li> <li>4) Increased flexibility in the shape and location of the main garden.</li> </ol>

**Table 6-1: Housing Initiatives to Increase New Housing**



Community-Suggested Programs	Assessment
<p><b>Revisit City's Inclusionary Ordinance</b></p> <p>Evaluate increasing the inclusionary housing requirement from 15 to 30 percent around Gold Line stations and along transportation corridors. Include commercial development in inclusionary requirements to address impact on affordable housing demand.</p>	<p>The City has made tremendous strides in creating affordable housing through the Inclusionary Housing Program. However, in creating the affordable requirement, it is critical to balance the needs for new housing while still allowing a reasonable profit that can be used to fund the construction of affordable units.</p> <p>Increasing the inclusionary requirement could constrain residential development, particularly when the residential market begins to soften. According to economic studies undertaken to test the financial feasibility of the inclusionary programs, increasing the requirement beyond 15 percent is not economically viable.</p>
<p><b>Create Regional Housing Commission</b></p> <p>Create Regional Housing Commission to foster a regional dialogue on issues of housing among local elected officials and provide a vehicle to launch collaborative initiatives to address critical housing needs.</p>	<p>No action has occurred on this to date. The City participates with neighboring cities in the San Gabriel Valley Council of Governments to address housing needs. City staff has been successful in limited joint ventures with surrounding communities, particularly in implementing the homeless continuum of care.</p> <p>Pasadena is exploring the reestablishment of the Arroyo Verdugo Housing and Homelessness Coalition, and joint affordable housing ventures with the City of Glendale, Los Angeles County, and LAHSA. However, the formation of such a regional housing commission has no precedent in California and would be difficult to create and administer in an effective manner.</p>
<p><b>Work with the San Gabriel Valley Council of Government on subregional and regional housing issues</b></p> <p>Continue to work with the San Gabriel Valley Council of Governments to prioritize affordable housing issues. Develop an action plan for desired housing outcomes with SGVCOG, attend SGVCOG meetings, and follow up on the housing issues raised as part of Pasadena's 2006 Housing Summit.</p>	<p>The San Gabriel Valley Council of Governments was previously involved in the subregional delegation of authority to allocate housing need among its member jurisdictions. The San Gabriel Valley Council of Governments adopted its Subregional Housing Production Strategy in 2005. This strategy suggests a reform of state housing policy on a pilot basis to allow communities in the San Gabriel Valley to work jointly in funding and producing housing.</p> <p>With the implementation of SB2 and other housing element laws and with a new SGVCOG Housing Committee, there may be greater opportunities for subregional cooperation on issues common to all jurisdictions in the Valley, such as homelessness, cooperative workforce housing initiatives, and other housing programs requiring interjurisdictional cooperation.</p>

## ISSUE 2: HOUSING DIVERSITY



State housing law requires each community in California to facilitate and encourage a diverse range in types and prices of housing, affordable to all economic and social segments. This includes single- and multiple-family housing, mobile homes, emergency and transitional housing, and housing for disabled people. The Housing Element is the overarching policy document guiding these efforts. It sets forth goals, policies, and programs to facilitate the production, improvement, and conservation of housing.

The Housing Forums proposed the need for a broad range of housing types and prices to meet the diverse needs of Pasadena residents. Proposed housing types included mixed use projects, live/work units, workforce housing, cooperative housing, housing for families with children, special needs housing, and second units. Table 6-2 lists programs recommended, assesses the applicability of the housing program in Pasadena, and indicates progress made to date in implementing the program.

**Table 6-2: Housing Initiatives to Improve Housing Choice**

Community-Suggested Programs	Assessment
<p><b>Small Lot Homes</b> Adopt ordinance to facilitate small lot single-family subdivisions in the City as a means to providing affordable homeownership opportunities.</p>	<p>Communities that are not built out often have areas where small lot development is feasible. This type of residential product is also advantageous in cities with deep lots that are underutilized in terms of residential density, contain dilapidated structures that can be demolished, or where lots are adjacent to one another and can be merged into larger parcels.</p> <p>Pasadena has very limited areas zoned RS that would be suitable for rezoning. Most land is developed and thus new projects would require demolitions. Finally, it is not economically feasible to reduce density and downzone other areas. Given these considerations, small lot homes are best accomplished through the existing planned development (PD) process.</p>
<p><b>Live/Work Developments</b> Facilitate live/work developments by reducing code restrictions and providing flexible design standards.</p>	<p>The City adopted a live/work ordinance, which conditionally permits such residential uses in the C-G district. The ordinance accommodates live/work quarters through both adaptive reuse and new construction. Ordinance requires maximum of 400 square feet dedicated to living space to ensure work component is primary use. However, the 400-square-foot requirement is insufficient to activate the live/work concept. In 2005, the City extended the inclusionary requirement to include live/work unit projects.</p> <p>Live/work housing satisfies a relatively minor portion of the overall demand for housing in that the housing units are typically small, suitable for only one or maybe two people, and are generally expensive and located in commercial areas. And while providing units, these uses rarely contribute in a meaningful way to affordable housing goals, except through the inclusionary requirement.</p>

**Table 6-2: Housing Initiatives to Improve Housing Choice**



Community-Suggested Programs	Assessment
<p><b>Second Units</b></p> <p>Revisit the City’s recently adopted second unit ordinance. Second units can provide housing for seniors, college students, extended family members, and others. However, the 15,000-square-foot lot and two-space parking requirement are a constraint to their development. The City should provide incentives to increase the production of second units that have long-term affordability covenants.</p>	<p>Recent changes to the California Government Code require cities to enact ministerial approval process for approving second units (unless very specific findings are made). State law also mandates the use of very permissive statewide development standards if development standards are not adopted by a local government.</p> <p>Pasadena adopted development standards to protect the character and integrity of neighborhoods. However, even if the City adopted more lenient standards, the number of units gained would be relatively few due to the relatively limited number of parcels in the community that can accommodate a second unit.</p>
<p><b>Mixed-Use Housing</b></p> <p>Although discussed in another topic area, the forums proposed amending the Central District Specific Plan to provide for increased densities, and presumably allowing more mixed-use housing, in the Central District.</p>	<p>Amending the Central District Specific Plan would increase the opportunities for mixed-use housing. However, as discussed earlier, densification and intensification may run counter to other quality of life goals for the Central District. Meanwhile, the City has six other specific plans which offer the potential for mixed-use housing along major corridors, such as East Colorado Boulevard.</p> <p>Mixed-use housing built in Pasadena has substantially created new housing opportunities. However, the type of housing built is typically suitable for one- and two-person households and much of the housing is priced to the point that only above moderate income households can afford to rent/buy the homes.</p>
<p><b>Rental versus Ownership Housing</b></p> <p>The HATF advocated for a greater focus on rental housing by setting numeric goals that focus 90 percent of City resources on rental units and 10 percent on homeownership units. Renters have a greater need for affordable housing. Homeownership assistance, though important, should be focused on moderate income owners.</p>	<p>Pasadena provides funding for owner-occupied housing and homeownership opportunities that exceeds the proposed 10 percent goal proposed by the HATF. At the same time, Pasadena is facing increased displacement due to the loss of rental housing and the rising price of homes that only the wealthiest segment can afford.</p> <p>This issue calls forth the need to discuss the issue of the City’s Housing Vision and its desire to maintain a socially and economically diverse community of renters and homeowners. This conversation should include a discussion of the subsidy levels required to ensure affordability, limitations of funding sources, and the perceived and desired need of affordable housing.</p>

**Table 6-2: Housing Initiatives to Improve Housing Choice**



Community-Suggested Programs	Assessment
<p><b>Encourage Accessible Development</b></p> <p>The City should actively pursue the development and implementation of universal design standards to accommodate people with disabilities.</p>	<p>The City has adopted provisions that encourage the production of housing that is accessible to people with disabilities. These include:</p> <ol style="list-style-type: none"> <li>1) Requiring PCDC-funded housing projects to be designed in a manner that allows first-floor accessibility and living accommodations for disabled persons in compliance with state law.</li> <li>2) Facilitating the production of housing specifically designed for disabled people, including projects such as the Pasadena Accessible Apartments, Euclid Villa, etc.</li> <li>3) Adopting an ordinance to allow City to grant reasonable modifications to the Zoning Code where needed to create or retrofit housing that is more accessible for people with disabilities.</li> <li>4) Implementing, through the Accessibility and Disability Commission, regulations and practices to further equal opportunity.</li> </ol> <p>Another aspect the City has initiated is to implement Zoning Code amendments to encourage the production of life/care housing, a concept that includes a continuum of care of housing for seniors, ranging from independent living to assisted living, to convalescent care.</p>
<p><b>Establish Affordable Housing Co-ops</b></p> <p>Establish affordable housing co-ops, providing City funding to assist prospective homebuyers to jointly purchase multi-unit properties. Each buyer would pay reduced mortgage in exchange for affordability controls upon sale of the co-op share.</p>	<p>There has been no action to date on this initiative. An affordable housing co-op program has potential applicability in Pasadena. Two co-housing groups already exist in Pasadena. Limited equity cooperatives, another form of co-ops, could also be explored.</p>

**RECOMMENDATION**

The City of Pasadena has been successful in facilitating and encouraging a broad range of housing types over the 2000–2005 period. This has included single-family homes, condominiums, apartments, mixed-use housing, special needs housing, and housing accessible to people with disabilities. The City could also consider additional housing initiatives through a limited equity cooperative housing, workforce/employee housing, and other initiatives. Also recommended is a policy level forum on Pasadena’s diversity and the housing and price points required to ensure the City’s Housing Vision.

## ISSUE 3: ENTITLEMENT PROCESS

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The City of Pasadena is known for its high quality residential development that contributes to neighborhood character. While the entitlement process has been successful in facilitating quality residential development, the Housing Forums raised the same common theme—that the length of the entitlement process is a substantial impediment to the City achieving its housing production goals.

Comments from the forum specifically mentioned:

- **Entitlement Process.** The City’s complex entitlement process for residential development adds significantly to project costs and development risk. This includes multiple reviews for discretionary permits from different City commissions, including environmental reviews, and significant delays in obtaining funding for affordable housing projects.
- **Development Fees.** The City’s development fees are high, particularly residential impact fees for parks, although park fees have been historically one of the lowest in the San Gabriel Valley. Pasadena’s building permit, plan check, and development impact fees rank higher than comparable cities, and now comprise up to 15 percent of construction costs.
- **Review of Projects.** The City Council may become too involved at times in individual projects by calling up residential projects for review. Rather, City staff should be delegated more authority in reviewing and approving residential projects, particularly those consistent with City goals. Projects are receiving duplicative review by other Commissions.
- **Processing Time.** A key factor affecting the feasibility of housing production and in particular affordable housing is time. The financing of housing projects is time sensitive. Reducing unnecessary delay in the entitlement process while providing greater predictability and certainty to developers would help ensure that market rate and affordable housing projects are built.

Housing developers, whether profit-motivated or nonprofit organizations, face significant challenges in constructing new housing, including affordable housing. For the private sector, for-profit developers must be creative and spot opportunities that provide an acceptable rate of return on investment. The nonprofit developer has a mission to provide housing and must combine market savvy with a hunt for subsidies to produce homes at below-market rates. At the same time, developers must navigate an uncertain housing market and secure and leverage multiple financing sources.

Summarized in Table 6-3 the HATF and other Housing Forums provided the following recommendations for consideration by the City Council.

Table 6-3: Housing Initiatives to Improve Project Approval



Community-Suggested Programs	Assessment
<p><b>Joint Powers Commission</b>                      Create a Joint Powers Commission consisting of representatives from the Design Commission, Pasadena Community Development Committee, and Planning Commission. The purpose of the Joint Powers Commission is to provide expedited, “one-stop” review of affordable housing and could include all discretionary items, such as design review, use permits, and variances.</p>	<p>The Task Force’s recommendation was in response to delays in the approval and construction of projects that provide affordable housing. Staff believes that the delays for most projects are not related solely to the approval process, but other issues such as project financing or site control. Staff also expressed concern for significant financial or legal impacts by substantially modifying the existing entitlement process to support a new advisory body with unilateral approval authority.</p> <p>In lieu of creating a Joint Powers Commission, the Council adopted expedited approval of affordable housing projects. This goal is achieved by: (1) the processing of a single application for zone changes, variances, and other discretionary permits; and (2) assigning case managers to expedite processing and discretionary approval of projects.</p>
<p><b>Administrative Staff Review</b>                      Establish administrative, staff-level review for residential projects with 50 or fewer units, presumably projects which have less environmental impacts on neighborhoods, traffic, etc.                      (City of Santa Monica model)</p>	<p>The City is committed to providing opportunities for neighborhood involvement and public comment to ensure quality development. The City’s long history of providing for sufficient public involvement has resulted in excellence in project design and neighborhood compatibility.</p> <p>Administrative review of projects, although it expedites project review and approval, could lessen public involvement, a key City goal. Expedited review could also unnecessarily delay other projects as City staff is diverted to serve expedited projects unless additional financial and staff resources are provided.</p>
<p><b>Affordable Housing Expedited Review Mechanism</b>                      Create review mechanism to expedite approvals for affordable housing projects. Particularly critical when non-profits need to purchase land.</p>	<p>Priority development review is provided informally for affordable projects where HCD staff indicates to Planning staff a need for expedited review. Case managers are already assigned to individual projects to help expedite the processing of discretionary approvals. This option differs from the former administrative review, in that expedited project review only applies to affordable housing projects. Affordable housing could also be expedited by creating a single point of entry into the City of Pasadena government structure.</p>

Table 6-3: Housing Initiatives to Improve Project Approval

Community-Suggested Programs	Assessment
<p><b>Streamline CEQA Review</b></p> <p>Adopt methods for streamlining CEQA reviews, including establishing a specific checklist for exempt projects, and provisions for tiering under the EIRs that are prepared for either the City General Plan or Specific Plan areas.</p> <p>Some cities, such as the City of San Diego, have adopted streamlined approaches to CEQA review and proposed project exemptions in that meet specific criteria.</p>	<p>Developing Master EIRs designed to help expedite projects are, in theory, workable. However, specific residential development projects often have site-specific impacts that cannot be accounted for in a Master EIR. These Master EIRs are often outdated very quickly. Granting exemptions is thus problematic. However, Program EIRs are an alternative.</p> <p>For example, traffic impacts are a significant issue in Pasadena, particularly in downtown where residential densities are already high. Traffic is also a concern in neighborhoods where intensified development is occurring. Streamlining CEQA to reduce traffic study thresholds would impact neighborhoods and engender challenge. Recent legal challenge to San Diego’s CEQA project exemptions have resulted in San Diego’s adopting a more conservative application of exemptions.</p>
<p><b>Affordable Housing Expedited Review Mechanism</b></p> <p>Streamline City funding process and coordinate with planning entitlement process to ensure more predictability and timeliness in the process.</p>	<p>HCD recently devised a Housing Development Funding Application to solicit and accept proposal for funding, with the goal to achieve funding approval within four months or less. Typically, the City enters into an exclusive negotiation with developers for the preparation of a DDA, OPLA, affordable housing agreement, etc. to implement the proposed project. A project-specific summary of key terms/conditions is presented to the City Council upon completion of the negotiations for approval along with associated legal documents.</p>
<p><b>Waive Fees for Affordable Units</b></p> <p>Fees charged on affordable housing projects should be waived or eliminated to reduce the cost of development</p>	<p>City offers significant waivers on the residential impact fee (RIF) for projects providing on-site IHO and/or workforce units. Projects providing <i>affordable</i> units pay reduced RIF of \$756 per affordable unit. If all required IHO units provided on-site, market-rate units also receive a 30 percent discount on the RIF. Projects with at least 15 percent <i>workforce</i> units receive a 35–50 percent rebate on such units. Fee waivers for affordable housing mitigate the impact of the RIF on affordable housing and provide incentive for provision of on-site inclusionary units.</p>

**RECOMMENDATION**

Although the best method of expediting project review and approval review is undecided, it is clear that the option must meet several City objectives. Such an expedited process must: (1) respect the current purview of existing advisory bodies; (2) preserve neighborhood involvement and public review, (3) ensure housing of lasting quality and design, and (4) appropriately mitigate environment impacts. The City Planning and Development and the Housing Division could consider an expedited review process within the City, enhanced funding for City staff to review and expedite projects, and improved capacity through the development of a relationship with a Nonprofit Housing Development Corporation.

## ISSUE 4: Social Diversity

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The City of Pasadena is committed to maintaining a socially and economically diverse population and affirming the contributions that each resident makes. As such, the City's commitment to diversity is reflected in the City's mission, its General Plan, Housing Vision, and the Policy on Children, Youth, and Families. This statement identifies six key areas to be pursued to improve the health and wellbeing of children, youth, and families in Pasadena—good health, safety and survival, economic wellbeing, social and emotional wellbeing, education, and information and access to services.

As discussed in earlier chapters, Pasadena has made considerable progress in facilitating the production of a range of housing—senior, housing for people with disabilities, student housing, mixed-use products, and many more. However, because of the price and supply of suitable housing, many lower and moderate income family households may locate in communities with lower housing prices. Some of the challenges to providing affordable housing opportunities are as follows:

- **Changing Demographics.** Pasadena has seen significant escalation of home prices and rents to the point that only upper income households can afford housing. This is causing displacement of lower income and some minority groups. This trend is evidenced in declining enrollment in Pasadena Unified School District, particularly in northwest Pasadena, home to the majority of lower income, African-American, and Hispanic households.
- **Condominium Conversions.** In addition to increasing apartment rents, many older and modestly priced apartments are being converted to condominium ownership. Approximately 800 units have converted since 2001, with an increase in applications in recent years. While providing more affordable ownership opportunities, residents are still being displaced. This phenomena appears to have slowed in the past year with changes in the market.
- **Publicly Assisted Housing.** Federally assisted affordable rental properties in Pasadena are at risk of conversion to market rate within 10 years. The City of Pasadena may have approximately 1,000 affordable units at risk of conversion from affordable to non-affordable rents. The loss of these affordable housing units would disproportionately impact low income persons, African Americans, Latinos, and individuals and families with special needs.
- **Housing Prices.** Although not originally identified by the HATE, the increase in housing prices has also made it increasingly unaffordable to afford housing in Pasadena. The causes are numerous, but essentially resulted from historically low interest rates, lax lending practices, over-valued land prices, and speculation in the housing market.

The following Table 6-4 summarizes the major initiatives proposed by the community, the City's response, and the Consultant's assessment.

**Table 6-4: Housing Initiatives to Reduce Displacement**



Community-Suggested Programs	Assessment
<p><b>Tenant Protections</b></p> <p>The Task Force recommended expanding the outreach, accessibility, and related services of agencies that provide housing rights services to tenants. The HATF recommended that mediation be promoted if tenants are asked to vacate without fault. The Task Force also recommended that the City Council adopt an ordinance that requires landlords to give tenants 90-day notice if they raise rents by more than 10 percent per year or intend to evict the tenant due to demolition of the unit.</p>	<p>State law preempts cities from adopting more stringent regulations for tenant protections where a regulation is already provided for in state law. This is the case for advance notice of rent increases (90-day notice), but not for other measures, such as relocation assistance.</p> <p>As part of a new Tenants Protection Ordinance, the City adopted several measures to stem the displacement of tenants in good standing:</p> <ol style="list-style-type: none"> <li>1) Expanded housing mediation services to provide review of landlord decisions that affect rents for tenants in good standing.</li> <li>2) Requirement that landlords distribute a multilingual landlord/tenant information sheet to tenants.</li> <li>3) Requirement for relocation costs for households earning up to 140 percent MFI where the unit is removed from the rental housing market.</li> <li>4) Requirement that the tenant maintains first right of refusal to reoccupy the unit except for when the unit is permanently removed from the rental market.</li> </ol>
<p><b>Move-in Grant Program</b></p> <p>Create a move-in grant program for lower income renters.</p>	<p>HCD has established new Emergency Rental Assistance Deposits Program that offers loans to low income households to cover the security deposit to move into a privately owned rental unit. Participants make monthly payments to the City on the loan, and when the participant vacates the unit, any outstanding monies are returned to the City. For this program, \$100,000 in HOME funds is allocated.</p>
<p><b>Preserve Market Rate Apartment</b></p> <p>Preserve existing market-rate apartment buildings and transition into deed-restricted affordable units.</p>	<p>The City has in the past provided funding for multifamily acquisition and rehabilitation with affordability covenants on select projects. The City has not aggressively pursued efforts to buy down or purchase affordability covenants on existing market rate apartments.</p> <p>The City has funding available for all these activities and contacts property owners as new opportunities arise. It might be appropriate working with a local nonprofit or form a nonprofit housing corporation to pursue this goal. The City is committed to investigating the feasibility of enhancing its programmatic efforts in this area.</p>
<p><b>Extend Inclusionary Requirement to Condominium Conversions</b></p> <p>Require condominium conversions to adhere to City inclusionary housing ordinance, providing on-site affordable ownership units within the project.</p>	<p>Condo conversions are presently accelerating due to the windfall of profits achievable. More than 400 units were converted in the past several years. City staff is working on a proposal to address the need to regulate condominium conversions to ensure the following:</p> <ol style="list-style-type: none"> <li>1) Consistency with the Inclusionary Housing Program with respect to income levels, affordability terms, and other key terms.</li> <li>2) Phased in affordability requirements for projects of different sizes that target moderate &amp; workforce income households.</li> <li>3) Long-term affordability covenants that mirror</li> </ol>



**Table 6-4: Housing Initiatives to Reduce Displacement**

Community-Suggested Programs	Assessment
	<p>protections under the existing inclusionary ordinance.</p> <ol style="list-style-type: none"> <li>4) Provision to recapture equity in case a project is sold before the term ends and/or allows the City the first right of refusal.</li> <li>5) Consistency with the City’s Tenant Protections Ordinance with respect to relocation assistance and benefits, noticing, and other key terms.</li> <li>6) Consistency with Local Preference and Priority System Guidelines.</li> </ol>
<p><b>Preserve At-Risk Affordable Units</b> Focus resources to preserve affordable rental units at risk of conversion to market rate housing.</p>	<p>The City has provided funding support to assist in the long-term preservation of three affordable projects at risk of conversion to market-rate—Kings Village, Green Hotel, and the Concord. The three approaches involved rehabilitation financing, purchase of affordability covenants, and acquisition—are a model for future efforts. In addition, the City’s IHO now provides for the purchase of affordability covenants as an eligible use of in-lieu inclusionary fee revenues.</p> <p>The Housing Element recommends expanding the preservation program as follows:</p> <ol style="list-style-type: none"> <li>1) Augment staff capacity to implement expanded preservation program,</li> <li>2) Develop additional sources to fund the preservation program</li> <li>3) Broaden preservation efforts to include purchase of existing apartments, and</li> <li>4) Work with property owners and the real estate community to identify projects.</li> </ol>

**RECOMMENDATION**

Pasadena housing rents and sales prices are increasing faster than household income, threatening and in many cases displacing long-term residents. The most cost-effective approaches to stemming displacement of residents while contributing to affordable housing goals are to: (1) preserve existing affordable housing at risk of conversion; (2) focus on providing financial assistance to help owners of market-rate apartments improve their properties in return for affordability covenants; and (3) direct efforts at extending affordability covenants onto condominium conversions.

## ISSUE 5: HOUSING RESOURCES



All communities face the challenges of securing financial resources to produce affordable housing, whether through intergovernmental transfer of funds, private sources, or through the philanthropic community. Given the high prices of land in Pasadena’s hot real estate market, it is equally important to have available land at reasonable prices for new housing opportunities.

The Housing Forums identified the following challenges in securing resources:

- **High Land Costs.** Given the high demand for housing and the shortage of vacant land, most new opportunities for affordable housing are infill. Such development involves the purchase of land, demolition of an existing use, and in some cases relocation of the use. The difficulty of acquiring sites, particularly those that have commercial value, has resulted in unusually high land costs.
- **Financing Limitations.** Financing affordable housing is an expensive proposition, usually requiring multiple private, public, and nonprofit partners. Pasadena has been particularly aggressive in securing funding, but must continue to be creative in seeking, securing, and leveraging funding resources. At the same time, changes in the housing market and financing industry have made certain funding sources (LIHTC) no longer feasible.
- **Need for Expanded Partnerships.** Public-private partnerships are key to addressing the need for affordable housing, including the provision of supporting community services. Partnerships need to be cultivated to not only leverage and maximize limited financial resources, but also to provide additional administrative resources to implement housing programs.

Table 6-5 summarizes initiatives proposed by the Housing Forums for consideration to the City Council and the City’s actions taken to date.

**Table 6-5: Housing Initiatives to Enhance Resources**

Community-Suggested Programs	Assessment
<p><b>Adopt New Special Taxes</b> Pursue new taxes, such as a parcel tax, transfer tax, and/or “flipper” tax, to help fund the production and retention of affordable housing in Pasadena.</p>	<p>Passage of new tax initiatives in today’s post-Proposition 218 climate requires a two-thirds majority of the electorate. In today’s climate, few cities are successful in adopting new special taxes, unless for public safety or other pressing need of existing residents. The City has had success in passing special taxes, but these were for current services affecting residents.</p>
<p><b>Federal New Market Tax Credits</b> Apply for funds through eligible entity created for this purpose, receive loans or investments from a recipient of the credits, and sell loans to a recipient of the credits for housing. NMTCs are attractive tax shelters</p>	<p>The City, Los Angeles County, and the State have jointly sponsored the 39-unit Fair Oaks Court project, the first affordable ownership project in the City to NMTCs. The City is committed to pursuing other NMTCs transactions where appropriate and feasible.</p>

Table 6-5: Housing Initiatives to Enhance Resources

Community-Suggested Programs	Assessment
<p>for corporations, and allow the City to leverage City funds for housing and community development activities.</p>	
<p><b>Federal Home Loan Bank Funds</b> Apply for Federal Home Loan Bank funds for down payment assistance. Seek out partnerships with organizations that can use Affordable Housing Program (AHP) funds. Arrange for access to these funds through local banks.</p>	<p>City has not directly applied for these funds but rather supported the leveraging of AHP funds by developers of City sponsored projects.</p>
<p><b>Attract Social Investment Funds</b> Attract funds for land assembly, projects, and loan funds. Examples include Calvert Social Investment Foundation and Los Angeles Genesis Workforce Housing Fund (pension funds).</p>	<p>The City is actively pursuing participation of philanthropic organizations in the provision of affordable housing opportunities through the provision of social services, funding and real estate resources. By example, the California Community Foundation is pursuing an initiative to develop a Community Reinvestment Plan for the City of El Monte that would provide the vehicle for channeling philanthropic investments into worthy community development projects.</p>
<p><b>Affordable Housing Bond</b> Seek voter approval in passage of an Affordable Housing Bond.</p>	<p>Typically, affordable housing general obligation bonds are difficult to pass on a local basis, as indicated by the recent failure of the Affordable Housing bond in City of Los Angeles. Over the past five years, voters approved two State Housing Bonds: Prop 46 for \$2.1 billion and Prop 1C for \$2.8 billion. Local bonds for public safety and schools tend to gain greater public support: both. The City and Pasadena Unified School District (PUSD) has experience in passing various bonds for public facilities and services.</p>
<p><b>Congressional Earmark</b> Request a congressional earmark for a specific project/program. Continue discussions with area churches regarding pursuit of funding via the President's Faith-Based Initiatives.</p>	<p>City and New Revelation Missionary Baptist Church sought faith-based funding for an eight-unit permanent housing development for formerly homeless. Project received funding and is moving forward.</p>
<p><b>Commercial Linkage Fee</b> Pursue adoption of a commercial linkage fee on new development and where there is a change in use, and place the revenues in Housing Trust Fund to be used for affordable and workforce housing.</p>	<p>Given the City's desire to stimulate job creation, a commercial impact fee could disincentivize businesses to relocate or expand in Pasadena. The loss of potential jobs would be counter-productive to City economic development goals. Additional opportunities to consider might be a slight increase in existing affordable housing fees.</p>
<p><b>Maintain Clearinghouse of Sites</b> Maintain clearinghouse of potential residential sites. These would include:</p> <ul style="list-style-type: none"> <li>• City-owned land</li> <li>• State property such as Caltrans</li> <li>• PUSD surplus properties.</li> </ul>	<p>The Redevelopment Agency maintains inventory of sites, yet majority are remnant parcels and difficult to develop. City previously pursued purchase of Caltrans homes for use as affordable housing and determined that such purchases were infeasible. City staff has compiled inventory of City-owned sites, including several public parking lots.</p>



**Table 6-5: Housing Initiatives to Enhance Resources**

Community-Suggested Programs	Assessment
<p><b>Establish Land Bank</b></p> <p>Establish a land bank of properties for future residential development, including commercial and residential redevelopment opportunities, single-family homes for renovation and resale, assisted rental properties at risk of conversion, and nonresidential facilities suitable for adaptive reuse.</p>	<p>City currently purchases properties for affordable housing as opportunities present themselves. However, there is no comprehensive approach to assembling inventory of properties. Chapter 6 recommends a new program initiative to land bank properties.</p>
<p><b>Evaluate Long-Term Lease of PUSD Surplus Properties for Housing</b></p> <p>PUSD recently published the 7-11 Committee Report on recommendations for use of seven surplus school properties. The District’s goal is for long-term ground lease of properties, with housing, including workforce housing, recommended on four sites.</p>	<p>The City has initiated limited discussion with PUSD regarding the sites, but no further action has been taken. Chapter 6 recommends a new program initiative to land bank properties.</p>
<p><b>Buy covenants on Caltrans homes</b></p> <p>Evaluate the potential of the City purchasing affordability covenants on Caltrans-owned single-family homes sitting vacant along the 710 Corridor.</p>	<p>City initiated discussion with the State of California to purchase Caltrans homes for use as affordable housing. The City of Pasadena submitted a bid to Caltrans in 2004 for two of these properties for \$170,000 and \$292,500 with the intention of reselling the units as affordable ownership housing. However, the City was unsuccessful because under the provisions of the Roberti Bill (SB86), “Sales of Surplus Residential Property,” the City is designated as a lower priority purchaser. An amendment to the Roberti Bill to implement this strategy has not been approved.</p> <p>It is also important to continue and strengthen efforts toward acquiring covenants on existing multiple-family units. Policies in the Housing Element will reinforce this emphasis.</p>

**RECOMMENDATION**

As mentioned above, the City of Pasadena has been creative and successful in securing a wide range of funds and land for production of affordable housing. The City has also been active in redesignating land to provide a range of housing opportunities for persons of all income levels and abilities. However, given the limited opportunities remaining, the City could also consider a new land banking program and creation of a new funding source for affordable housing through the San Gabriel Valley Trust Fund.

## ISSUE 6: ADMINISTRATIVE CAPACITY



The increasing complexity of structuring financial deals and transactions, seeking and applying for state/federal/private funding, and administering affordable housing programs requires significant administrative capacity. The City of Pasadena, HATE, and other forums recognized the complexity of the affordable housing landscape and thus proposed a series of alternatives for consideration by the City Council. These initiatives are shown in Table 6-6.

**Table 6-6: Initiatives to Enhance Administrative Capacity**

Community-Suggested Programs	Assessment
<p><b>Create a Community Development Financial Institution (CDFI)</b></p> <p>The City could partner with an existing CDFI or create a Pasadena-focused CDFI to facilitate affordable housing. CDFIs have enhanced ability to access funds from the U.S. Treasuries matching nonfederal funds. This allows the City to effectively invest its dollar resources with a significantly greater return on investment.</p>	<p>The City has discussed with Pasadena Development Corporation (which is already one) and Heritage Housing Partners with respect to formation of a community development entity.</p>
<p><b>Create Regional Housing Commission</b></p> <p>Create Regional Housing Commission to foster a regional dialogue on issues of housing among local elected officials and provide a vehicle to launch collaborative initiatives to address critical housing needs.</p>	<p>The City participates with neighboring cities in the San Gabriel Valley COG to address housing needs. City staff has been successful in limited joint ventures with cities, particularly in implementing the homeless continuum of care. The formation of a regional housing commission has no precedent in California and would be difficult to create and administer.</p>
<p><b>Work with SGVCOG on Housing Issues</b></p> <p>Continue to work with the San Gabriel Valley Council of Governments to prioritize affordable housing issues. Develop an action plan for desired housing outcomes with SGVCOG, attend SGVCOG meetings, and follow up on Pasadena 2006 Housing Summit issues.</p>	<p>The SVCOC already is involved in the subregional delegation of authority to allocate housing need among its member jurisdictions. The San Gabriel Valley Council of Governments adopted its Subregional Housing Production Strategy in 2005. This strategy suggests a reform of state housing policy on a pilot basis to allow communities in the San Gabriel Valley to work jointly in funding and producing housing.</p>
<p><b>Lead Effort to Identify Existing and Potential Affordable Housing Organizations.</b></p> <p>Lead an effort to identify agencies in the San Gabriel Valley. Evaluate the capacity of these organizations and provide technical training and assistance.</p>	<p>The City facilitated an arrangement for New Revelation and A Community of Friends to partner in the development of an eight-unit permanent supportive housing project.</p>

**Table 6-6: Initiatives to Enhance Administrative Capacity**

Community-Suggested Programs	Assessment
<p><b>Nonprofit Pasadena Housing Development Corporation</b></p> <p>Create and fund a local nonprofit Housing Development Corporation similar to Burbank, West Hollywood, and Santa Monica to focus on affordable housing, rehabilitation and services in Pasadena.</p>	<p>No action to date. Chapter 6 proposes the development of a new Nonprofit Housing Development Corporation or establishment of direct working relationship with existing nonprofits to facilitate the production, rehabilitation, and preservation of affordable housing.</p>
<p><b>Faith-Based Communities</b></p> <p>Establish coalitions with faith-based communities to produce affordable housing (e.g., Santa Fe New Mexico Roundtable). Pasadena has local resources available to help establish and strengthen a variety of faith-based housing initiatives.</p>	<p>The City of Pasadena facilitated a partnership consisting of New Revelation, A Community of Friends, and Southern Presbyterian Homes to pursue the development of a variety of affordable housing, including projects for homeless people.</p>
<p><b>Building Capacity of Local Affordable Housing Developers</b></p> <p>Increasing capacity is both internal and external to the City of Pasadena. Part of ensuring adequate capacity is through use or building of capacity among local affordable housing developers. Knowledgeable developers are best positioned to efficiently propose successful affordable infill housing in complex settings such as Pasadena.</p>	<p>Local housing developers continue to receive funding and assistance from the City and provide a new affordable housing in the City. Numerous workshops and roundtables were convened to review developer capacity and propose opportunities for training, linkage, or partnerships with veteran housing sponsors. Through the efforts above, the City initiated partnerships with New Revelation, Heritage Housing, Affordable Housing Services, Trademark, etc. for the provision and/or development of affordable housing.</p>
<p><b>Subregional Joint Powers Agency</b></p> <p>Following the 1998–2005 RHNA process, significant discussion has occurred regarding the need for a cooperative structure for addressing the region’s housing needs and perhaps establishing a joint powers authority or trust.</p>	<p>The San Gabriel Valley Council of Governments, in its annual work plan, is considering pursuing the creation of a Joint Powers Authority or other cooperative arrangement to address the production of affordable housing.</p>

**RECOMMENDATION**

The challenge to building administrative capacity is local and subregional. Clearly, action is needed at the local level to deal with Pasadena-based issues, which the formation of a local nonprofit housing corporation may address. However, given that affordable housing is an issued shared by all San Gabriel Valley cities and that no one city can do it alone, the City could consider formation of a subregional entity to address housing on a subregional scale.



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# Housing Plan

This chapter sets forth the City's vision, goals, policies, and programs to be implemented over the 2008–2014 planning period of the Housing Element.

## Overview

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Pasadena is a world-class model of a successful urban community and understands the importance of housing and neighborhoods in achieving that goal. Through workshops and the venues for public involvement reaching back to the late 1990s, City residents, businesses, and stakeholders have and continue to identify the critical housing needs facing the community and to provide meaningful input that shapes the priorities, policies, and programs for the 2008–2014 Housing Element.

As the City of Pasadena plans for the 2008–2014 Housing Element planning period, the City will continue to face several key challenges to realizing its long-term vision for housing and its community. Based on a long-standing foundation of community involvement and participation and priorities set forth in the Housing Agenda for Action (2007), the City's housing policy and programs address the following:

- Accommodating growth in a responsible manner
- Maintaining social and economic diversity
- Providing diverse housing types and prices
- Providing quality housing and neighborhoods
- Assisting residents with special housing needs

In setting forth a housing implementation plan, addressing the City's future housing challenges must be balanced with many goals and objectives. The Pasadena Housing Element seeks to balance the need to provide adequate housing for current and future residents with other City goals and objectives in the General Plan. Given the limited amount of land, preserving and rehabilitating housing is also a critical goal. Other important priorities include the provision of parks and open space, an efficient transportation system, a thriving economy, a fiscally sound local government, exemplary community services and public facilities, and other priorities.

## Housing Policy Framework

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The City of Pasadena is a world-class model of a successful urban community. Pasadena's distinctive quality of life is exemplified by its unparalleled physical beauty, cultures, and diversity. City officials are involved in an active partnership with citizens to foster educational, cultural, and economic opportunities in a safe, vibrant, and healthy community.

The Pasadena General Plan provides a context for understanding how housing fits into the City's vision. The General Plan is guided by seven guiding principles:

- Growth will be targeted to serve community needs and enhance quality of life.
- Change will be harmonized to preserve Pasadena's historic character and environment.
- Economic vitality will be promoted to provide jobs, services, revenues, and opportunities.
- Pasadena will be promoted as a healthy family community.
- Pasadena will be a city where people can circulate without cars.
- Pasadena will be promoted as a cultural, scientific, corporate, entertainment and educational center for the region.
- Community participation will be a permanent part of achieving a greater city.

Within this framework and as established as part of the 2000-2005 Housing Element, the City has established the following housing vision to guide achievement of housing goals consistent with the General Plan vision.

All Pasadena residents have an equal right to live in decent, safe and affordable housing in a suitable living environment for the long-term well-being and stability of themselves, their families, their neighborhoods, and their community. The housing vision for Pasadena is to maintain a socially and economically diverse community of homeowners and renters who are afforded this right.

Pasadena shall achieve this vision by utilizing its resources toward five priorities:

1. Preservation and improvement of established residential neighborhoods.
2. Provision of an adequate supply and range of housing opportunities.
3. Support and provision for fair and equal housing opportunities.
4. Ensuring that Pasadena residents, especially those with lower and moderate incomes and special needs, are assisted in meeting their housing needs.
5. Conservation and improvement of the condition of the existing affordable housing stock, including the preservation of existing assisted housing.

## HOUSING AND NEIGHBORHOOD QUALITY

Housing and neighborhood quality are important components in ensuring the quality of life for residents of the community. The particular needs of neighborhoods vary significantly. In some older areas, Pasadena is confronted with the risk of deteriorating housing and the neighborhood needs to be maintained. The following policies encourage reinvestment in housing, where appropriate, and foster neighborhood stability to improve and maintain quality of life.

### Goal HE-1

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**Promote and maintain sustainable neighborhoods of quality housing, parks and community services, infrastructure, and other services that maintain and enhance neighborhood character and the health of residents.**

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#### *Policies*

- HE-1.1 **Neighborhood Character.** Preserve the character, scale, and quality of established residential neighborhoods.
- HE-1.2 **Property and Housing Conditions.** Maintain the quality of ownership and rental housing by ensuring compliance with City standards, and promote the repair, improvement, and rehabilitation of housing.
- HE-1.3 **Housing Acquisition and Rehabilitation.** Promote the acquisition, rehabilitation, preservation, or purchase of affordability covenants on multiple-family housing and extension of affordability controls.
- HE-1.4 **Neighborhood Involvement.** Encourage resident involvement and neighborhood organizations in identifying and addressing housing and neighborhood needs in partnership with the City.
- HE-1.5 **Historic Preservation.** Promote the preservation of historically and architecturally significant buildings and the quality of historic neighborhoods through land use, design, and housing policies.
- HE-1.6 **Community Services.** Integrate the provision of schools, parks, community centers, infrastructure, green spaces and parks, and other public amenities with the planning and development of housing.
- HE-1.7 **Neighborhood Vitality.** Promote neighborhood vitality by providing adequate public services, community facilities, infrastructure, landscaping and open space, parking and traffic management, and public safety.
- HE-1.8 **Landscape Amenities.** Preserve neighborhood and community parks, street trees, open spaces and recreational areas, hillsides, and other landscape amenities that support residential neighborhoods.

## HOUSING SUPPLY AND DIVERSITY

A diversity of housing opportunities is an important goal for Pasadena. Persons and families of different ages, types, income levels, and lifestyles have different housing needs that change over time. Maintaining a diversity of housing types and prices help ensure that all persons, regardless of age, income, or family type, have the opportunity to find housing suitable to their needs. Housing diversity also helps to preserve and maintain the social and economic diversity of Pasadena residents. The following policies further the goal of providing a diverse housing supply.

### Goal HE-2

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**Promote an adequate supply and diversity of quality rental and ownership housing opportunities suited to residents of varying lifestyle needs and income levels.**

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#### *Policies*

- 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 live-work housing.
- HE-2.2 **Housing Sites.** Continue to direct new residential development into Specific Plan areas, along transit corridors, and close to employment and activity centers, consistent with the Land Use Element.
- HE-2.3 **Affordable Housing.** Facilitate a mix of affordability levels in residential projects and dispersal of such units to achieve greater integration of affordable housing throughout the community.
- HE-2.4 **Adaptive Reuse.** Support innovative strategies for the adaptive reuse of residential, commercial, and industrial structures to provide for a wide range of housing types and residential uses.
- HE-2.5 **Housing Incentives.** Facilitate the development of affordable housing through regulatory concessions, financial assistance, density bonuses, and inclusionary housing program, and other means.
- HE-2.6 **Housing Design.** Require excellence in design of housing through use of materials and colors, building treatments, landscaping, open space, parking, environmentally sensitive and sustainable building design.
- HE-2.7 **Entitlement Process.** Explore continued improvements to the entitlement process to streamline and coordinate the processing of development permits, design review, and funding of affordable housing.
- HE-2.8 **Community Involvement.** Continue and support dialogue with builders, advocates, nonprofits, residents, finance industry, and other stakeholders in addressing the housing needs of residents and workforce in Pasadena.

## HOUSING ASSISTANCE

Pasadena is home to people with a great variety of special housing needs, including seniors, large families, disabled persons, single-parent families, students, homeless people, and others. Some may face greater difficulty in finding decent and affordable housing due to circumstances related to income, family characteristics, disability, or health issues. Goal and policies to address assistance and special needs are as follows:

### Goal HE-3

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**Expand and protect opportunities for households to find housing in Pasadena and afford a greater choice of rental and homeownership opportunities.**

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#### *Policies*

- HE-3.1 **Financial Resources.** Pursue and maximize the use of state, federal, local, and private funding for the development, preservation, and rehabilitation of housing affordable to very low, low and moderate income households.
- HE-3.2 **Partnerships.** Support collaborative partnerships with nonprofit organizations, developers, business community, and state and federal agencies to develop, rehabilitate, preserve, and retain affordable housing.
- HE-3.3 **Homeownership Opportunities.** Increase and expand homeownership opportunities for residents and employees through the provision of financial assistance, education, and partnerships.
- HE-3.4 **Conservation of Affordable Housing.** Support conservation of publicly subsidized affordable rental housing affordable to lower income households and market rate housing.
- HE-3.5 **Homeownership Preservation.** Support the provision of education and resources that enable residents to make informed decisions on home purchases and maintaining home ownership.
- HE-3.6 **Rental Assistance.** Support the provision of rental assistance and emergency assistance for individuals and families earning extremely low, very low, and low incomes and special needs households.
- HE-3.7 **Workforce Housing.** Work with major employers, educational institutions, health care institutions, and other employers within Pasadena to facilitate and encourage the development of workforce housing opportunities.
- HE-3.8 **Fair Housing.** Prohibit discrimination in the sale or rental of housing on the bases of race, religion, color, ancestry, national origin, age, sex, sexual orientation, family type, handicap, or minor children.

## SPECIAL NEEDS

Certain individuals and families have greater difficulty finding decent and affordable housing due to special circumstances related to employment and income, family type and characteristics, disability, or various other household characteristics. In Pasadena, special needs groups include seniors, people with disabilities, families with children, college students, homeless persons, and children leaving the foster care system, among others. The following goal and policies are designed to address their needs.

### Goal HE-4

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**Provide adequate housing opportunities and support services for Pasadena seniors, people with disabilities, families with children, college students, and people in need of emergency, transitional, or supportive housing.**

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#### *Policies*

- HE-4.1 **Senior Housing.** Support development and maintenance of affordable senior rental and ownership housing and supportive services to facilitate maximum independence and the ability of seniors to remain in their homes and/or in the community.
- HE-4.2 **Family Housing.** Facilitate and encourage the development of larger rental and ownership housing units for families with children, and the provision of family support services such as childcare, after-school care, family development services, and health care.
- HE-4.3 **Housing for People with Disabilities.** Continue to support the development of permanent, affordable, and accessible housing that allows people with disabilities to live independent lives; provide assistance to residents in maintaining and repairing their homes.
- HE-4.4 **Service-Enriched Housing.** Support and assist community-based organizations in the provision of supportive services and service-enriched housing for persons with special needs, such as seniors, families, disabled people, homeless people, and persons with medical conditions.
- HE-4.5 **College Students.** Engage and work with educational institutions in Pasadena to update campus master plans and provide housing accommodations for students, faculty, and employees that reflect the housing needs and preferences of their respective institution.
- HE-4.6 **Homeless Services.** Continue to provide support and financial assistance to community service organizations that provide housing and the matrix of needed supportive services for people who are homeless.

## HOUSING PROGRAMS

The Housing Element vision, goals, and policies are carried out through programs. These housing programs are consistent with the General Plan, City Vision and Mission, and state and federal mandates. The Housing Plan is also the product of a long community involvement process. Since the last update of the housing element, the City has continued to engage the community in defining the most pressing housing needs and discussing potential programs to address these needs. The results of these efforts are contained in Chapter 5 and 6 of the Housing Element.

Public forums held since the last Housing Element include:

- Housing Affordability Task Force (2003)
- City of Gardens Committee (2005)
- Housing Summit (2006)
- 7-11 Community Advisory Committee (2006)
- ULI Technical Advisory Panel on Affordable Workforce Housing (2007)
- Housing Agenda for Action (2007)
- Condominium Conversion Task Force (2008)
- Housing Element Workshops (2008)
- Second Unit Community Meetings (2009)

The Housing Program section is organized into four goal topical areas—housing and neighborhood quality, housing diversity and supply, housing assistance, and special needs—that correspond to the goal areas. Within this framework, this chapter proposes more than 60 different programs implemented by many City departments. Table 7-1 provides a summary of several quantified objectives for these programs and Table 7-2 at the end of the chapter lists each program, key planning objectives, funding sources, implementing agency, and timeframes.

**Table 7-1: Quantified Objectives**

Program Area	Income Category				
	Extremely Very Low	Very Low	Low	Moderate	Above-Moderate
Housing Construction <sup>1</sup>	389	322	452	491	1,215
Housing Rehabilitation <sup>2</sup>	116	84	11	14	0
Housing Preservation <sup>3</sup>	2,185		74	0	0
Section 8 Program <sup>4</sup>	1,315		0	0	0
<b>Total</b>	<b>4,411</b>		<b>537</b>	<b>505</b>	<b>1,215</b>

Source: 2008-2014 Housing Element

Notations:

1. Refers to the requirement to make available adequate sites for the 2008-2014 RHNA.
2. Refers to City-assisted rehabilitation projects and County assistance for the Centennial Place SRO. Additional units are rehabilitated each year. FFIEC data in 2008 indicate that banks approved loans for 150 households, of which 2% were very low, 10% were low, 13% were moderate, and 74% were above moderate income. This would equate to 800 households over the 2008-2014 planning period.
3. Refers to the provision of technical assistance subject to funding availability
4. Refers to the annual number of Section 8 vouchers and certificates, subject to federal funding

## Housing and Neighborhood Quality

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### PROGRAM # 1. CODE COMPLIANCE PROGRAM

#### A. Citywide Code Compliance

Code compliance is a means to ensure that the quality of housing and neighborhoods is maintained. To that end, the City's Code Compliance Section enforces state and local regulations governing building and property maintenance. Code compliance officials encourage community involvement by working with neighborhood groups. Code compliance efforts focus on individual buildings, neighborhoods, and revitalization areas. Eligible property owners in violation of City codes are directed to nonprofit and City rehabilitation loan and grant programs. Typically, at least 75 percent of code compliance cases are abated in 60 days or less.

##### **2008–2014 Objective(s):**

Continue monitoring and enforcement of building and property maintenance codes.

#### B. Emergency Enforcement Programs

In most cases, code enforcement is sufficient to resolve common code violations. In some cases, multiagency cooperation is needed to focus efforts on problem buildings. The City Prosecutor's Office oversees an interdepartmental effort—with representatives from Neighborhood Connections, Police, Code Enforcement, and Housing—to identify and find solutions to neighborhood crime. The Team's mission also encompasses an education component to train landlords in the prevention of illegal activity. The Prosecutor's Office also directs the City's Resources Against Substandard Housing (CRASH) Team (an interagency team of code enforcement, fire, health, and police department staff) to provide emergency response and abatement for the worst habitability hazard properties in the city.

##### **2008–2014 Objective(s):**

Continue implementation of CRASH emergency code enforcement.

#### C. Neighborhood Revitalization Program

The City administers the Neighborhood Revitalization Program (NRP) that is now focused predominantly in Northwest Pasadena. The City oversees an NRP team comprised of multiple City departments who concentrate a host of City and non-City services and resources to affect change in neighborhoods. The NRP program focuses on housing rehabilitation, property maintenance, beautification, and traffic safety, among others. The program lasts two years per neighborhood. The City solicits public support by organizing projects, securing volunteers, conducting neighborhood outreach, and dedicating City staff. The City has completed activities in five NRP areas since its inception and is forming another NRP area in Northwest Pasadena.

**2008–2014 Objective(s):**

Continue program implementation.

**PROGRAM # 2: NEIGHBORHOOD IMPROVEMENT****A. Neighborhood Impact**

The City supports several groups providing enhanced community development services. Pasadena Neighborhood Housing Services (PNHS) Inc. is a non-profit, community-based corporation whose mission is to revitalize and strengthen neighborhoods by preserving and expanding affordable housing for low and moderate income households through resident involvement, public, private, and non-profit partnerships. Much of their work is focused in Northwest Pasadena. PNHS offers its Neighborhood Impact Program that includes the following programs: a Major Rehabilitation Loan, Minor Home Repair Grants, Banner Block Activities, Neighborhood Pride Day, and Foreclosure Counseling Services.

**2008–2014 Objective(s):**

Provide assistance to 25 households during the planning period.

**B. Neighborhood Organizations**

The City's Neighborhood Connections office's mission is to promote and foster participation and communication as a liaison among neighborhood organizations and elected representatives. The office encourages Pasadena neighborhoods to identify issues of concern and to create a partnership between the City and residents to help address issues affecting quality of life in neighborhoods. The office also sponsors a Leadership Institute to train community participants in the skills needed to implement improvement projects within their neighborhoods. Neighborhood Connections continues to serve over 95 neighborhood groups as a program of the Human Services Recreation and Neighborhoods Department.

**2008–2014 Objective(s):**

Continue program implementation.

**C. Northwest Pasadena**

The City of Pasadena established a Northwest Programs Office to coordinate efforts to maintain a healthy business environment, strengthen and stabilize neighborhoods, facilitate redevelopment projects, and coordinate and sponsor community-building efforts in Northwest Pasadena. City staff and the Northwest Programs Office work in conjunction with the Northwest Commission, the Pasadena Community Development Commission and local officials to further these goals. During the planning period, key planning programs will be implemented in Northwest Pasadena—including the merger of five redevelopment project areas, preparation of the Lincoln Avenue Specific Plan, update of the Northwest Community Plan, creation of a new Neighborhood Revitalization Program area, oversight of an economic recovery zone, and other community building projects.

**2008–2014 Objective(s):**

Continue program implementation.

**PROGRAM # 3. HOUSING INSPECTION PROGRAMS**

**A. Occupancy Inspection Program**

The Occupancy Inspection Program is designed to ensure the quality and maintenance of the City’s single family homes, duplexes, and condominiums. Whenever a change in occupancy of a single-family or townhome ownership unit occurs, the City requires that the property be inspected for compliance with building and safety codes. Typical items inspected include electrical, plumbing, heating, structural conditions, and other health and safety items. If a Housing Code violation is found, the property owner is notified of the violations and given a reasonable time to correct them. Upon correction of the violations, a Certificate of Occupancy is issued and remains valid until the dwelling unit is again sold or rented.

**2008–2014 Objective(s):**

Continue to conduct housing inspections upon change in occupancy.

**B. Quadrennial Inspection Program**

The Quadrennial Inspection Program is designed to ensure that multifamily projects (apartments, etc.) are decent, safe, and well-maintained places to live. All rental properties in Pasadena containing three or more units are inspected at least once every four years. Typical items inspected include electrical, plumbing, heating, structural conditions, and health and safety items. Property owners are notified if code violations exist and, upon remedy, the property owner is issued a Certificate of Inspection. The occupancy inspection program continues to serve as an effective means to identify code violations as they occur, before they affect the condition of the building and quality of life experienced by tenants.

**2008–2014 Objective(s):**

Continue implementation of multiple-family housing inspection program.

**C. Lead-Based Paint Program**

Lead poisoning is the most prevalent preventable environmental health hazard facing children. Many apartments in Pasadena were built before 1950, the age of housing at highest risk for lead-based paint. The Pasadena Public Health Department implements a Childhood Lead Poisoning Prevention Program to prevent exposure to lead and to care for children with lead poisoning. The program includes the education of organizations, parent groups, and caregivers about lead poisoning prevention. Public Health Nurses provide case management for children and their families affected by lead poisoning. Health Specialists also identify lead sources, provide advice on lead-safe painting and remodeling, enforce ordinances for lead-safe work, and provide information and assistance to care providers of children.

**2008–2014 Objective(s):**

Train code compliance officers and inspectors to identify lead hazards. Conduct enforcement through certified lead inspectors. Conduct community education and outreach on identification of lead hazards and prevention activities.

**PROGRAM # 4: CITYWIDE HOUSING REHABILITATION****A. Maintenance Assistance to Homeowners (MASH)**

The Maintenance Assistance to Homeowners (MASH) Program is a unique program designed to serve Pasadena residents and provide employment training. MASH provides free services to low income, senior, or disabled homeowners unable to perform deferred maintenance on their owner-occupied, single-family homes. Services include the following: exterior painting and minor repairs; tree trimming and yard work; code violation problems such as screen and window replacement; lead-based paint stabilization; graffiti removal; and installation of wheelchair ramps. As a secondary function, the MASH program provides a unique training program. It is an opportunity for otherwise unskilled adults (through on-the-job training) to gain those skills and work habits necessary to obtain a permanent job. MASH crews may also assist in times of emergencies, such as fire, storms, or earthquakes.

**2008–2014 Objective(s):**

Provide assistance to 20 households on an annual basis.

**B. Multifamily Acquisition/Rehabilitation**

Like many older communities, Pasadena has multifamily housing in deteriorated condition in certain areas of the community. Deteriorated properties are typically characterized by lesser quality construction, overcrowding, and absentee landlord ownership. Initiation of a strategic, proactive multifamily acquisition rehabilitation program can help fill the gap in the City's current program offerings. Such an effort would serve to both upgrade older apartment properties and stabilize rents, and would enhance the City's overall efforts to improve living conditions in distressed neighborhoods. While Pasadena provides funding assistance for acquisition rehabilitation activities on a project-by-project basis, establishment of a comprehensive program should involve consideration of the following factors:

- Establishing project parameters—neighborhood and income targeting, project size, level of rehabilitation, and tenant relocation policies.
- Defining the process and criteria for identifying and selecting properties that are the best candidates for acquisition and rehabilitation.
- Identification of a dedicated or project-based funding stream for program implementation, and sources of outside leverage.
- Assessment and selective pursuit of opportunities, as appropriate, where multifamily acquisition and rehabilitation can address the RHNA.

**2008–2014 Objective(s):**

Establish program guidelines for a comprehensive acquisition/rehabilitation program in 2011, and specific goals and workplan for the first one to two years.

**PROGRAM # 5: HISTORIC PRESERVATION****A. Historic Ordinance and Design Guidelines**

The City Historic Preservation Ordinance implements the goals, policies, and programs of the General Plan and establishes the review authority of the Historic Preservation Commission and Design Commission in the Central District. Properties within historic districts and individually designated historic properties are required to obtain a Certificate of Appropriateness prior to obtaining a building permit for alteration or development; minor alterations may be approved by City staff. Pasadena’s “Design Guidelines for Historic Districts” and the Secretary of the Interior’s “Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings” provide the basis for Commission and staff review of appropriateness.

**2008–2014 Objective(s):**

Implement the Historic Preservation Ordinance.

**B. Historic Preservation Incentives**

The City offers incentives to promote the preservation of historic sites and structures. Some incentives are available to all historic properties, whether designated or eligible for designation, while others are limited to landmarks or properties listed on the National Register of Historic Places. City incentives include: reduction of building permit fees and construction tax for specified preservation activities, waiver of two covered spaces parking requirements in single-family landmark districts, modified City of Gardens standards; allowances for some historic buildings with inadequate on-site parking to remain exempt from current parking requirements; and special variances to facilitate adaptive reuse and relocation. The City’s Mills Act program also allows owners of designated historic properties to reduce their property taxes in exchange for a contract with the City to maintain the property’s historic character.

**2008–2014 Objective(s):**

Advertise available incentives for historic preservation and assist property owners in determining which incentives apply to their properties.

**C. Historic Home Acquisition and Rehabilitation**

The City provides funding to implement a historic home acquisition, rehabilitation, and homeownership program. Properties are targeted that contribute to neighborhood distress—abandoned, foreclosed, and dilapidated houses—acquiring these properties and rehabilitating them using sound preservation principles and practices. Properties are then sold to low and moderate income first-time homebuyers at below-market purchase prices. Secondary financing is available to help keep monthly payments affordable. The selection of buyers is made in

accordance with Pasadena's Local Preference and Priority System Guidelines, which provide preference for, among other groups, persons who live and work in Pasadena.

**2008–2014 Objective(s):**

Continue implementation of the program.

**PROGRAM # 6: PRESERVATION OF AFFORDABLE HOUSING**

**A. Preservation of At-Risk Housing**

Pasadena has about 2,500 units deed restricted as affordable to lower income households. Since 2000, the City has assisted in preservation of the 313-unit Kings Village family housing project, and 138 senior units in the Green Hotel. Approximately 800 assisted units are at risk of conversion to market rates during the 2008–2018 planning period. Most of these projects were originally financed through HUD and maintain project-based Section 8 Housing Assistance Plan (HAP) contracts subject to annual HUD renewals. With respect to at-risk status, half of at-risk projects are owned by nonprofits and likely at low risk of conversion; the others are owned by profit-motivated firms and at higher risk of conversion.

Pasadena has been successful in preserving several significant projects from conversion to market rate, but needs a more formal preservation program. The City will undertake to work towards preservation of its assisted housing stock:

- **Assisted Housing Database.** By 2011, update the database of assisted rental housing such as incorporating information on project funding sources and earliest dates of expiration.
- **Monitor At-Risk Units.** Contact property owners within at least one year of the affordability expiration date to discuss City's desire to preserve as affordable housing.
- **Economic Analyses.** As the expiration date on each of these projects nears, conduct economic analyses to determine the present-value cost of buying down rents.
- **Explore Funding Sources/Program Options.** As necessary, contract with the California Housing Partnership Corporation to explore outside funding sources and program options for preservation.
- **Negotiate with Property Owners.** Present options to owners for a one-time rent buy-down, rehabilitation assistance, and/or mortgage refinance in exchange for long-term use restrictions.
- **Tenant Education.** Property owners must give a nine-month notice of intent to opt out of affordability restrictions. The City will work with specialists to provide education on tenant rights and conversion procedures.

**2008–2014 Objective(s):**

Contact property owners of at-risk projects to initiate preservation discussions. Based on the outcome, the City will: 1) provide preservation incentives to owners; 2) work with priority purchasers; and 3) provide technical assistance and education to affected tenants. Financial assistance may include Housing Trust Fund resources and state preservation funds to incentivize owners to maintain affordable rents, or in case of transfer of ownership, assistance in property acquisition and rehabilitation.



## Housing Supply and Diversity

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**PROGRAM # 7: PROVISION OF ADEQUATE SITES****A. Specific Plans**

The General Plan, as part of its guiding principles, explicitly directed new residential development into seven specific plan areas as a means to reduce traffic congestion, improve air quality, provide housing, and stimulate economic development. The Land Use Element allowed for the net development of 11,000 units, of which 8,711 units were directed to specific plan areas (and 5,095 alone to the Central District). During the planning period, more than 3,000 units have been built in the Central District. The City's success has been attributed to density and intensity incentives (by right densities of 32–87 units per acre), exemption of affordable units from the cap, additional density bonuses for affordable units, flexible development standards for parking and open space, City financial assistance such as fee waivers for affordable units, and regulatory assistance. The high levels of new construction have effectively marketed the City's program to the development community.

**2008–2014 Objective(s):**

Continue to provide appropriate land use designations to encourage the construction of residential and mixed uses near transit and other community amenities. Maintain and provide an inventory of potential sites and housing incentives to developers.

**B. Mixed Use Housing**

Mixed use housing is an important strategy in the Pasadena General Plan to increase housing choices (including affordable housing), improve mobility, stimulate and support economic activity, and improve air quality. To achieve these benefits, the City has codified zoning standards that facilitate and encourage mixed-use housing. Standards for mixed-use residential development allow greater floor area than standards for housing alone, whether in the Central District (e.g., Urban Housing) or in multifamily residential districts (e.g., City of Gardens). They reduce the project area required for open space, provide flexibility in meeting that requirement, and allow a greater building envelope. Mixed-use projects with affordable units qualify for density bonuses, zoning standard concessions, and fee waivers. Parking is reduced for projects located near Gold Line light rail stations. These incentives have resulted in the recycling of virtually every type of underutilized site (e.g., service stations, offices, restaurants, parking lots, and lower density housing) to mixed use housing.



These projects typically achieve maximum density, incorporate structured parking, include deed-restricted affordable units, and are built on sites as small as 1/2 acre. Recognizing the success of this mixed use strategy in achieving housing and other community goals, the City will continue to implement these incentives.

**2008–2014 Objective(s):**

Continue implementation of mixed-use incentives and monitor and assess the effectiveness (housing production) due to the incentives on an annual basis.

**C. Second Units**

A second unit is a self-contained living unit with cooking, eating, sleeping, and full sanitation facilities, either attached to or detached from the primary residential unit on a single lot. Second units offer several benefits. First, they typically rent for less than apartments of comparable size, and can offer affordable rental options for seniors, college students, single persons, and extended families. Second, the primary homeowner receives supplementary income by renting out a second unit, which can help many modest income and elderly homeowners remain in or afford their homes.

In compliance with AB 1866 (effective July 2003), the City of Pasadena developed a ministerial approval process for processing second-unit applications. As permitted under AB 1866, Pasadena adopted development standards on second units addressing issues such as building size, parking, height, setbacks, lot coverage, and concentration in neighborhoods. Pasadena has had few applications for second units in recent years. While second units represent a small component of Pasadena's overall affordable housing strategy, in consideration of continued input from members of the public, the City will reevaluate its current ordinance requirements.

**2008–2014 Objective(s):**

Review the City's second-unit standards, hold public meetings to solicit input from the public, and evaluate the feasibility of changes to the ordinance to better facilitate second units in the context of maintaining neighborhood quality.

**D. Water and Sewer Infrastructure**

In 2006, the legislature passed SB1087 to implement Government Code 65589.7. The California statute requires local governments that provide water and sewer service to develop and adopt written policies and procedures no later than July 1, 2006, that grant priority for service allocations to proposed developments that include housing units affordable to lower income households. State law also indicates that water and sewer providers are also prohibited from denying or conditioning the approval of reducing the amount of service for an application for a development that includes housing affordable to lower income households.

The Constraints chapter of the Housing Element analyzed the ability of the City to provide water and sewer services to address the RHNA. The analysis found that there are currently adequate supplies of water supply, sewer capacity, and conveyance



infrastructure in place to serve the unmet need for the 2006–2014 RHNA. However, there does not appear to be an explicit policy to ensure that appropriate written policies and procedures are in place regarding priority service allocations for housing that is affordable to lower income households. Therefore, the City will work with the appropriate agencies to develop and adopt the appropriate policies.

**2008–2014 Objective(s):**

Work with the City’s Department of Water and Power to ensure that appropriate written policies and programs are in place to satisfy the requirements of SB 1087.

**E. Housing Production Monitoring**

The City maintains a record of housing production and reports that record regularly to the City Council. For each of the seven specific plan areas and the city as a whole, the record identifies the sites, numbers of units, and permit and completion dates for all new housing projects. The program provides information used in monitoring the remaining capacity in specific plan areas. This report provides a useful tool to monitor the progress of development citywide and in specific plan areas.

To further support the goals and objectives of the 2006–2014 Housing Element, the City will expand the program by identifying the development projects on sites that are included in the Adequate Site Inventory, to ensure that housing sites are available for the City’s share of regional housing need at all income levels. New vacant or underutilized sites not in the Adequate Site Inventory will be identified during the planning period. The City will maintain an inventory of sites, adding vacant or underutilized sites when identified, to maintain adequate sites for the RHNA.

**2008-2014 Objective:**

Continue to maintain a record of housing production and to report regularly to the City Council. In addition to the existing program, identify the development projects on sites that are included in the Adequate Site Inventory and compare actual number of constructed units with the potential number shown in the Inventory. Maintain an inventory of sites with additional sites as they are identified.

**PROGRAM # 8: REGULATORY REQUIREMENTS/INCENTIVES**

**A. Inclusionary Program**

The City’s Inclusionary Housing Ordinance requires that residential and mixed-use projects of 10 or more units dedicate 15% of the units as affordable to low and moderate income households. Ownership projects can fulfill the requirement with all moderate income units, whereas at least 10% of the required inclusionary units in rental projects must be set aside for low income (80 percent MFI) households. As an alternative to constructing the inclusionary units, a developer may choose one of three options: 1) construct the required units on another site, 2) donate another site for a portion or total number of units, or 3) pay a fee in lieu of building the units.



The City's inclusionary ordinance has been successful in providing a significant amount of affordable housing. However, maintaining flexibility in a dynamic and changing housing market and ensuring intentionality in meeting the City's most pressing needs are critical for the continued success of the IHO. In this light, the City of Pasadena could study the following modifications to better achieve program goals:

- Greater flexibility in meeting the off-site requirement by allowing developers to purchase and rehabilitate units with affordability restrictions.
- A Citywide expenditure policy for IHTF in light of the City's housing needs, costs of subsidies, tenure, and diversity goals.
- Incentives for the production and retention of affordable housing units for families, specifically three-bedroom units that are suitable for children.
- Greater emphasis on the production of low and very low income rental units.

**2008–2014 Objective(s):**

Continue to monitor the effectiveness of the IHO and expenditure of Inclusionary Housing Trust Funds, including preparation of an Annual Performance Assessment. By 2010, study modifications to the program in light of the City's housing needs and market dynamics, including the need for low and very low income units.

**B. Density Bonus Program**

The City of Pasadena implements a state density bonus law program. Applicants of housing projects of five or more units are entitled to a density bonus if one of the following affordability requirements is met: at least 5 percent of the total units are affordable to very low income households; at least 10 percent are affordable to low and very low income households; at least 10 percent are for-sale units affordable to moderate income households; or at least 35 percent of the units are exclusively for persons aged 55+ and to those residing with them. The amount of density bonus ranges from 20–35 percent above the specified General Plan density. Within parts of Central District, further density bonuses of up to 50 percent for increased percentages of affordable units are allowed. Eligible projects may also receive one to three additional development incentives (including parking) specified in state law, depending on the proportion of and income targeting of affordable units. Developers may also request waivers of standards under certain conditions. Since 2006, the City has approved eight density bonus projects, providing 125 affordable units.

**2008–2014 Objective(s):**

Continue to implement the Affordable Housing Density Bonus program.

**C. Parking Incentives**

Residential parking requirements play a significant role in project design and achievable densities; and as such, can greatly affect the cost of residential development if underground parking is required. A guiding principle of the General Plan is that residents should be able to get around the city without the use of a car.



To further that principle, Pasadena offers a broad range of options for reductions in parking standards to facilitate affordable, special needs, and transit-oriented housing. For example, tandem parking may fulfill up to 30 percent of the parking requirement in multifamily and mixed-use projects, and up to 50 percent in density bonus projects. Parking for senior housing may be reduced to 0.5 spaces per unit, with parking requirements for affordable single room occupancy units reduced further to only 0.25 spaces per unit. To promote and reduce reliance on the auto, the City requires reduced parking for transit-oriented development within ¼ mile of a light rail station or within the Central District Transit-Oriented Area.

**2008–2014 Objective(s):**

Continue to provide options for reduced parking as an incentive for development of affordable, special needs, and transit-oriented housing.

**D. Consolidated Review for Affordable Housing**

Lengthy review periods associated with permit processing are perceived as a major constraint to housing development in any city. Particularly for affordable housing, a timely entitlement process is essential to securing outside funding and site control. Historically, affordable projects were often proposed to multiple departments within the City of Pasadena. This often made it difficult to coordinate projects, evaluate the appropriateness of projects for funding, and facilitate the project through the approval process in a timely manner. In 2008, the City established a Housing Department to coordinate these activities. A first step was to establish a single intake point for all affordable housing funding. On an annual basis, the City now submits a NOFA and conducts a review of the effectiveness of the funding process. The Housing Department also uses its Housing Development Funding Application to solicit and accept proposals, with the goal to achieve funding approval within four months. Projects are ranked competitively against established criteria and priority needs. Moreover, priority development review for affordable projects is provided informally where Housing staff requests expedited review from City planning staff.

**2008–2014 Objective(s):**

Continue to issue annual NOFA for affordable housing and, upon its completion, annually review and assess the timeliness and effectiveness of the process.

**PROGRAM # 9: FINANCIAL ASSISTANCE****A. Financial Assistance**

The City's Housing Department provides a variety of funds for affordable housing activities, including Inclusionary Housing Trust Funds, Redevelopment set aside funds, HOME, CDBG, and others. Eligible uses include new construction (rental and ownership); property acquisition; rehabilitation (rental and ownership); homebuyer assistance; special needs housing; and affordable housing preservation. The Housing Department issues an annual NOFA and a Housing Development Funding Application (HDFA) to solicit competitive proposals.



The HDFA establishes criteria for rating funding applications, such as: the extent the project meets the need for affordable housing for priority need groups; the extent the project complies with Housing Element, Green Building, and Local Preference and Priority System; the extent the project meets the City’s policy to disperse affordable housing; and leverage of other public or private funding sources. While the HDFA criteria provides a basis for rating the desirability of development proposals, the City could benefit from establishment of an overall funding strategy to better define the type and mix of projects that best meet the City’s housing needs and objectives.

**2008–2014 Objective(s):**

Continue to provide financial support for the production, rehabilitation, and preservation of affordable housing. Develop an Affordable Housing Strategy to guide expenditure of funds consistent with Pasadena’s housing needs.

**B. Land Assemblage/Write Downs**

The City has an active history in providing land write-downs to selected developers in the acquisition and disposition of housing sites and/or surplus properties for the construction or rehabilitation of affordable housing units. The City issues Request for Proposals (RFP) for development of affordable housing on City-owned sites, and retains a list of interested developers and community-based housing sponsors who are notified upon issuance of the RFP. The City also places the RFP on the City’s website, publicizes advertisements, and announces RFPs at community meetings. Typically, developers acquire and assemble lots before submitting an application for development and City funding assistance. However, with recent projects, such as Heritage Square, the City assisted in the acquisition and consolidation of parcels for affordable housing. For the Orange Grove Gardens apartments, the City acquired the site from the non-profit sponsor and, under a 99-year ground lease, leased it back at a below-market rate to assist with the project economics. Subject to the availability of funding, the City will seek property acquisition opportunities, consider land write-downs and other creative land subsidies, and assemble sites for affordable housing.

**2008–2014 Objective(s):**

Annually issue requests for proposals for the development of affordable housing when \$5 million in uncommitted funding is available. Examine creative partnerships and mechanisms for land assemblage/writedowns.

**C. Fee Waivers**

Fee modifications and waivers can help make affordable housing financially feasible by lowering the amount of equity or financing required for the project. The City’s affordable housing fee waiver program allows the waiver of portions of the Plan Review Fee, Building Permit Fee, and Construction Tax in exchange for 30-year covenants that require the units to be affordable to very low, low, and/or moderate income households. Fee waivers are increased progressively for projects that provide a higher percentage of affordable units and deeper income targets. Since that time, the fee waiver program has been expanded to encompass a reduced Residential



Impact (Parks) Fee and reduced Traffic Impact Fee for affordable and workforce units. The City also provides development fee waivers of 50 percent for nonprofit organizations registered with the Neighborhood Connections Office. Affordable projects typically receive fee reductions at up to \$25,000 per unit, with a cap of \$125,000 per affordable project. Although this reduction is substantial, large projects can quickly reach the cap and could benefit by increasing the cap above \$125,000.

**2008–2014 Objective(s):**

Continue to provide reduced development fees in support of affordable housing. Examine appropriateness of the \$125,000 cap on affordable housing fee reductions.

**PROGRAM # 10: HOUSING DESIGN**

**A. Green Building**

“Green buildings” are structures that are designed, renovated, reused, or operated in a manner that enhances resource efficiency and sustainability. These structures reduce water consumption, improve energy efficiency, lessen a building’s overall environmental impact, and are more efficient and less costly to operate (and therefore more affordable). Pasadena has taken a number of significant actions toward becoming a green and sustainable city, including:

- Adoption of an Environmental Charter
- Endorsement of the U.N. Environmental Accords
- Endorsement of U.S. Conference of Mayors Climate Protection Agreement
- Adoption of a Green City Action Plan
- Establishment of an Environmental Advisory Commission
- Adoption of a Green Building Ordinance

The Green Building Ordinance requires that new mixed-use and multiple-family housing of 4 or more stories incorporate green standards that would achieve the minimum point threshold to achieve LEED standards. The City offers LEED Accredited Professional experts to help applicants do so. If the applicant voluntarily pursues and achieves LEED certification, the applicant could receive significant incentives from the Pasadena Department of Water and Power. Inclusionary projects that meet the requirements of the Green Building Ordinance are also provided a construction tax rebate of \$1,000 per on-site affordable inclusionary unit.

**2008–2014 Objective(s):**

Provide outreach and education to developers, contractors, architects, and business owners to provide information on how to incorporate sustainability in project design.

**B. Design Review**

Pasadena uses design review to encourage development that embodies excellence in architectural design and complements the scale and character of the City. The Citywide Design Principals set forth in the Land Use Element form the foundation



of all design reviews in Pasadena. To provide further guidance, the City has adopted a series of residential and citywide design guidelines to provide clear examples of the quality and type of design that is recommended. Design guidelines work in concert with the development standards contained in the Zoning Code or Specific Plan. Depending on the scale, location, and sensitivity of development projects, design review is conducted by City staff, the Design Commission, or Historic Preservation Commission. To expedite the process, Pasadena allows developers to request a Consolidated Review, which combines both concept and final reviews into a one-step review procedure processed in compliance with the procedures for concept review.

**2008–2014 Objective(s):**

Continue to implement design review to ensure maintenance of Pasadena’s architectural character and quality of the built environment.

**C. Garden Standards**

The City of Gardens Standards, adopted in 1989, refer to development requirements for constructing multifamily projects within RM districts, portions of certain specific plan areas, and within the CL and CO commercial districts. Garden standards are an innovative set of zoning regulations aimed at creating more livable multifamily residential developments, encouraging designs that typify the garden character of earlier apartments and bungalow courts characteristic of Pasadena. These standards are also an integral way of creating multiple-family projects of lasting quality.

In 2003, the City commissioned a study of the effectiveness of the City of Gardens ordinance and potential impediments to multifamily construction. Pursuant to the findings of the study, combined with review by the public, City of Gardens Committee, and City decision makers, four major amendments were made to the Gardens ordinance: 1) allowances for surface parking beyond the rear 40 percent of the project site; 2) allowances for greater building height on lots greater than 60 feet in width; 3) increased flexibility in the shape and location of the main garden; and 4) adjustments to address the impacts of three-story buildings adjacent to RS districts

**2008–2014 Objective(s):**

Implement City of Garden standards as a tool to enhance the quality and compatibility of multiple family housing development.

## **Housing Assistance**

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### **PROGRAM # 11: HOMEBUYERS ASSISTANCE PROGRAMS**

**A. Homebuyer Education and Counseling**

Pasadena Neighborhood Housing Services (PNHS) administers the First-Time Homebuyers’ Education Program. The program provides comprehensive education and counseling to lower income renters to purchase housing. Program services also include credit counseling, financial prequalification, referrals, and limited financial



assistance to first-time homebuyers. In 2008, PNHS began offering foreclosure counseling and receives case referrals from its 1-800-HopeNow hotline. The City mails informational materials about this program to Pasadena homeowners in default on their mortgage. PNHS has certified foreclosure counselors who work with homeowners, evaluating options for debt restructure and negotiating refinance terms with the mortgage lender. For qualified homeowners entering default only after an interest rate reset, PNHS provides assistance in obtaining an FHA loan.

**2008–2014 Objective(s):**

Provide homebuyer education and foreclosure counseling to 200 prospective homebuyers on an annual basis.

**B. Homeownership Opportunities Program**

The City's Homeownership Opportunities Program (HOP) provides down payment assistance in the form of a low interest, second trust deed loan with a 45-year term. Prospective applicants must be first-time homebuyers and qualify as lower or moderate income household. To encourage long-term homeownership and allow the City of Pasadena to maintain its ability to reuse funds, the loan is structured to provide the City with a means to secure a portion of the appreciation in certain cases. If the property is resold or refinanced before the date of the loan maturity, the borrower must repay the outstanding loan amount plus a share of the property's appreciation. As a means to fully prepare prospective buyers for homeownership, the City requires that HOP loan applicants first complete an approved NeighborWorks 12-hour homebuyer education program and be recommended for assistance by PNHS. Given the change in market conditions in recent years, the City continues to examine a menu of ideas to restructure the program to maximize its effectiveness.

**2008–2014 Objective(s):**

Continue implementation and consider program modifications to make the program more flexible to market conditions. Serve up to four households annually.

**C. Mortgage Credit Certificate Program**

Pasadena participates with a consortium of cities in the Mortgage Credit Certificate Program (MCC) administered by the Los Angeles County CDC. This Program provides first-time homebuyers with a federal income tax credit that increases their ability to qualify for a mortgage, and can be paired with the City's HOP program. The tax credit is equal to 10 percent of the homebuyer's annual mortgage interest paid and is taken as a dollar-for-dollar credit against the owner's federal income taxes. The annual tax credit is 15 percent for homes purchased within a Target Area and 10 percent for homes purchased outside the Target Area. To be eligible for an MCC, the applicant must be a first-time homebuyer and not earn above moderate income. Program information is publicized through the City's homebuyer seminars.

**2008–2014 Objective(s):**

Continue to advertise the MCC Program in conjunction with homebuyer education and assistance programs, and maintain a current listing of participating lenders.

**D. Homebuyer Closing Cost Programs**

Although not directly sponsored or administered by the Pasadena's Community Development Commission, the City does support other homebuyer programs. One such program is a closing cost program. The Pasadena Foothill Association of Realtors and California Association of Realtors sponsor and fund a closing cost program for low and moderate income first-time homebuyers. Under this program, applicants can receive loans of up to \$5,000 to be repaid within five years.

**2008–2014 Objective(s):**

Assist 11 households during the 2008-2014 planning period.

**PROGRAM # 12: RENTAL ASSISTANCE****A. Housing Choice Voucher Program (Section 8)**

The Pasadena Community Development Commission administers the federally funded Section 8 Housing Choice Voucher Program, providing rent subsidies to extremely low and very low income households, including families, seniors, and the disabled. The program offers a voucher that pays the difference between the fair market rent (FMR) as established by HUD and what a tenant can afford to pay (i.e., 30 percent of household income). The voucher allows a tenant to choose housing that costs above the payment standard, provided the tenant pays the extra cost. Approximately 1,315 Pasadena households are served under the Section 8 program. The City Housing Department works diligently to maintain a high lease-up rate. Based on HUD regulations, 75 percent of households admitted to the program must have incomes less than 30 percent of the area median, making this program a key way to address the needs of extremely low income households.

**2008–2014 Objective(s):**

Continue to assist 1,315 households under the Section 8 program. Allocate project-based vouchers to the Hudson Oaks project and Centennial Place SRO.

**B. HOME Tenant-Based Rental Assistance (TBRA)**

In certain cases, temporary rental assistance is needed by extremely low and very low income individuals and families with special circumstances. The City administers a tenant-based rental assistance program with HOME funds. All applicants must be referred to the Pasadena CDC by a participating supportive service agency. Special circumstances recognized by the PCDC include involuntary displacement from housing due to: government action; health or safety hazard cited by the City; victim of domestic violence; and temporary homelessness due to loss of job or other event. Rental assistance under this program is limited to a maximum period of 24 months.

**2008–2014 Objective(s):**

Assist up to 90 households during the planning period.

**C. Emergency Rental Assistance Deposits (ERAD)**

Lower income households have greater difficulty finding affordable housing, let alone paying the required initial deposit for the unit and the security deposit. The Emergency Rental Assistance Deposit Program (ERAD) offers security deposit assistance for very low and low income renters in Pasadena. The security deposit assistance is a loan, repaid by the tenant in monthly payments to the PCDC. When a participant vacates the rental unit, any outstanding deposit monies are returned to the City. This program has been successful in providing rental assistance to approximately 75 households in Pasadena. Funds may also be used to pay back rent.

**2008–2014 Objective(s):**

Assist 300 households during the planning period.

**D. Affordable Housing Search Website**

The Housing Department now subscribes to a free housing search website, called Pasadena Housing Search, which is located at <http://pasadenahousingsearch.com/>. One can search for properties in and around Pasadena and across the County of Los Angeles. As a partner website, the City shares affordable housing listings with the Los Angeles County Housing Resource Center. The site contains housing data, information, and resources for other participating communities in Los Angeles County. The website search engine has several useful features, including whether the landlord speaks Spanish, Section 8 is accepted, pets are accepted, or the unit has accessibility features for people with disabilities. The Housing Search website is highly used, with 200,000 successful searches for affordable housing each year.

**2008–2014 Objective(s):**

Continue program implementation.

**PROGRAM # 13: ADMINISTRATIVE AND FINANCIAL CAPACITY**

**A. Collaborative Partnerships**

In today's housing market, creative approaches and partnerships are required to finance and build affordable housing. The City works with a large array of nonprofit and for-profit organizations to provide housing, including affordable housing, and provide a wide range of supportive services for residents with special housing needs. As mentioned in Chapter 4 and in the 2005–2009 Consolidated Plan, the City works with dozens of nonprofit and for-profit organizations to build affordable housing, rehabilitate and preserve housing, and provide an extensive menu of supportive services to Pasadena residents, families, and persons with special needs.

**2008–2014 Objective(s):**

Continue to work with and seek additional partners to achieve City housing goals.



## B. Pasadena Affordable Housing Practitioners and Advisors

Pasadena welcomes the involvement and commitment of the community that produces a greater quality of life, with citizens and city government working in partnership and this commitment is reflected as a General Plan guiding principle. Informed community participation is a permanent part of achieving a greater City. The City has established an Affordable Housing Practitioners and Advisors Group to lend additional community participation and expertise on matters affecting housing. This group meets on an ad-hoc basis to address housing issues of concern. Members include developers, lenders, architects, attorneys, consultants, and academics who live or work in Pasadena. In addition, the Pasadena Affordable Housing Group (PAHG) is also invited to all the meetings to lend their perspective on housing concerns. In this manner, the City and community can discuss and develop both innovative and practical solutions to addressing the housing needs of Pasadena.

### *2008–2014 Objective(s):*

Meet on a periodic basis to discuss housing issues and propose program and policy solutions to housing and community development needs.

## C. Funding Programs

The City providing more than \$15 million annually to fund housing production, housing rehabilitation, and housing assistance for Pasadena residents and workforce. Many of these funds are not guaranteed and are allocated on a competitive basis. However, this funding is essential to maintaining the City's economic and social diversity. In an effort to meet its housing goals, the City will continue to identify and secure creative funding sources that may not have been considered previously, including private foundation sources. The City will continue to seek out and secure additional funding (such as the recent application to HCD for Housing trust Funds) and leveraging opportunities to meet its housing needs.

### *2008–2014 Objective(s):*

Seek additional funding sources to meet City housing goals.

## PROGRAM # 14: FAIR AND EQUAL HOUSING OPPORTUNITY

### A. Fair Housing Services

Pasadena contracts with nonprofit agencies to promote the enforcement of fair and equal housing opportunity laws. The City contracts with the Housing Rights Center to provide counseling and referrals, landlord and tenant dispute resolution, discrimination and complaint processing, education, outreach, training, technical assistance, advocacy, and relocation assistance. The City implements its Housing Mediation Ordinance, which oversees landlord-tenant disputes. In tandem with the City's Tenant Protection Ordinances, HRC has worked for many years to improve fair housing opportunities for Pasadena residents.

**2008–2014 Objective(s):**

Continue to provide fair housing services and tenant-landlord mediation.

**B. Fair Housing Outreach**

Fair housing complaints and cases have varied over the past decade in Pasadena concurrent with case law and improved understanding of fair housing laws. In the late 1990s, the number one complaint category of race and ethnicity discrimination was being supplanted by complaints over familial status. Over the past five years, the nature of complaints have changed. Annual reports for Pasadena shows a significant increase in the number of fair housing cases involving persons with disabilities, from 24 cases in FY2002–FY2004 to 51 cases by FY2004–FY2005. The City will work with HRC to develop a plan of action, education, and outreach to landlords regarding the reasonable accommodation protections contained in the Fair Housing Act.

**2008–2014 Objective(s):**

Develop a plan of action to address fair housing for persons with disabilities.

**C. Tenant Protection Ordinance**

In 2004, the City adopted a Tenant Protection Ordinance that requires property owners to pay relocation assistance for tenants at or below 140 percent median income who are involuntarily displaced from rentals when the tenant was not at fault for the eviction. Relocation assistance is required if any of the following occur: 1) the unit is slated for demolition; 2) the City has ordered the building be vacated due to health and safety violations; or 3) the landlord seeks to remove the unit permanently from the rental market. Landlords or property owners must provide to each existing tenant a one-page multilingual information sheet that outlines the provisions of the Ordinance and provides references for appropriate City housing contacts and the City’s housing mediation contractor. The Ordinance also provides assistance for all households in the case of condominium conversions.

**2008–2014 Objective(s):**

Continue to implement the Tenant Protection Ordinance.

## Special Housing Needs

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### PROGRAM # 15: SPECIAL NEEDS RENTAL ASSISTANCE

**A. Family Self-Sufficiency Program**

The Family Self-Sufficiency Program (FSS) is a highly structured program for families receiving Section 8 rental assistance to foster economic independence over a five-year timeframe. Under this program, a family receives a comprehensive matrix of supportive services that include opportunities to improve educational attainment, skill levels, and income-generating abilities. Women at Work serves as the sponsor agency providing supportive services under Pasadena’s FSS program. It provides

counseling, job search assistance, mentoring, and referrals to the City's homeownership programs as well as referrals to other available services.

**2008–2014 Objective(s):**

Provide ongoing assistance to 25 households.

**B. Shelter Plus Care**

The Shelter Plus Care (S+C) program assists homeless individuals and families living with mental disabilities, chronic substance abuse, or HIV/AIDS by providing long-term affordable rental housing and a broad range of supportive services. The goal of S+C is to increase participants' independent living skills and build their self-confidence so that they might become productive members of the community. The City contracts with Pacific Clinics, a local nonprofit mental health provider, to provide or coordinate the provision of supportive services under this program.

**2008–2014 Objective(s):**

Provide ongoing assistance up to 90 households during the planning period and apply to HUD for additional Shelter Plus Care certificates as they become available.

**C. Housing Opportunities for Persons with Aids (HOPWA)**

The HOPWA program provides tenant-based rental assistance, case management, and supportive services to very low-income persons and families with HIV/AIDS. This program maintains HIV-positive people in stable housing and thereby reduces the health risks and prevents homelessness. The rental assistance component mirrors the qualifications and requirements of the federal Section 8 Housing Voucher Program. Through case management linkages, supportive services are provided to address the immediate and long-term needs of participants. These needs include, among others, the provision of health care, mental health, substance abuse, public benefits, private insurance, and legal assistance. The AIDS Service Center and Serra Project provide client referrals and supportive services for HOPWA participants.

**2008–2014 Objective(s):**

Assist 35 households during the planning period.

**PROGRAM # 16: HOMELESS CONTINUUM OF CARE**

**A. Homelessness Prevention**

The City of Pasadena's 10-Year Strategy to End Homelessness, adopted in 2005, sets forth the City's commitment to proactively address the needs of homeless people. This Plan is periodically updated as required. The Plan establishes three homeless prevention strategies: 1) the Homelessness Prevention; 2) a Discharge Planning Program; and 3) hiring of a Homeless Coordinator described below:

- The Homelessness Prevention Program involves a public-private partnership aimed at increasing the community groups, individuals, and resources



available to prevent households at-risk of homelessness from losing their housing. The Program coordinates publicly and privately funded homeless prevention resources (e.g., food, clothing, utility and/or rental assistance).

- The purpose of the Discharge Planning Program is to prevent persons being discharged from institutions or systems of care into homelessness. Discharge planning prepares a homeless person in an institution to return to the community and links that individual to essential housing and services.
- The City hired a Homeless Coordinator to strengthen efforts of the Pasadena Housing and Homeless Network and implement the 10-Year Strategy. The Homeless Coordinator is specifically responsible for implementing the Homeless Prevention Program and Discharge Planning Policy.

**2008–2014 Objective(s):**

Provide supplemental resources to 85 households at risk of homelessness on an annual basis through the Homelessness Prevention Program. Ensure implementation of the 10-Year Strategy to End Homelessness through preparation of Annual Action Plans.

**B. Emergency Shelter**

Pasadena has one of the most extensive emergency shelter systems throughout the entire San Gabriel Valley, and provides emergency shelters for homeless persons, families, youth, and victims of domestic violence. The City receives Emergency Shelter Grant (ESG) funds directly from HUD and uses them to support the local shelter network. Union Station Foundation provides 50 shelter beds for families at its Family Center, and an additional 56 beds for individuals at its 412 Raymond Street facility. Haven House operates two facilities for victims of domestic violence and their children, providing 20 shelter beds for families and 16 for women. Pasadena permits and assists in the funding of winter shelters operated by the Pasadena Ecumenical Council, providing 165 beds on a seasonal basis. The City also assists in the provision of hotel/motel vouchers administered through nonprofit organizations.

**2008–2014 Objective(s):**

Continue program implementation

**C. Transitional Housing and Permanent Supportive Housing**

The second phase of the Continuum of Care program is transitional housing. Transitional housing typically lasts up to two years and typically involves the provision of shelter along with supportive services to help transition the individual or family to a more self-sufficient lifestyle. Supportive services address the immediate and long-term needs of the participants (e.g., health care, mental health, substance abuse, public benefits, private insurance, legal assistance). The City assists four residential substance abuse treatment facilities, two facilities for families with children, and other housing assistance programs.



After transitional housing, many residents move to permanent housing or permanent supportive housing. These facilities include licensed community care facilities, sober living facilities, and AIDS homes, which allows for long-term stays in a facility that provides specialized services. Pasadena currently has 16 skilled nursing facilities, and numerous licensed community care facilities providing over 4,000 beds. In addition, the Pasadena CDC has funded a number of permanent supportive housing projects, including the Wynn House, Chester House, CHOISS Program, Navarro House, the San Gabriel Foundation facility, and Hestia House among others.

**2008–2014 Objective(s):**

Continue program implementation. Issue request for proposal for the development of permanent supportive housing to use unallocated project-based vouchers to support the goals and objectives in the Homeless Continuum of Care Plan.

**D. Sites for Emergency Shelters**

State law (Senate Bill [SB] 2) requires jurisdictions with an unmet need for emergency shelters to identify a zone(s) where emergency shelters will be allowed as a permitted use without a conditional use permit or other discretionary permit. The identified zone must have sufficient capacity to accommodate the shelter need, and at a minimum provide capacity for at least one year-round shelter. Permit processing, development, and management standards for emergency shelters must be objective and facilitate the development of, or conversion to, an emergency shelter. Emergency shelters will be subject to the same development and management standards as other permitted uses in zone, as well as written, objective standards to regulate the aspects of emergency shelters, to ensure compatibility with surrounding uses. These include the maximum number of beds or persons permitted nightly by the facility, off-street parking based on demonstrated need, the size and location of exterior and interior onsite waiting and client intake areas, provision of onsite management, proximity of other emergency shelters, length of stay, lighting, and security.

**2008–2014 Objective(s):**

Amend the Zoning Code to define a zone to permit emergency shelters by right in the IG and CD-6 district and/or other districts and develop objective standards to facilitate, encourage, and regulate shelters.

**PROGRAM # 17: HOUSING FOR PERSONS WITH DISABILITIES**

**A. Reasonable Accommodation**

The City adopted an ordinance in 1999 through which the City can grant reasonable modifications to the requirements of the zoning code, where necessary, to avoid discrimination on the basis of disability, and to ensure persons with disabilities have the same opportunity to enjoy the rights and privileges available to residents or property owners in the same zoning district. This ordinance establishes the process for requesting and granting reasonable modifications to zoning and development regulations, building codes, and land use.

**2008–2014 Objective(s):**

Implement the Reasonable Accommodation ordinance. Periodically analyze the City's process to identify any constraints to the development, maintenance, and improvement of housing for persons with disabilities and take corrective measures.

**B. Universal Design/Visitability**

As Pasadena's population ages, providing housing that is accessible to people of all abilities has become increasingly important. Currently, the majority of housing in Pasadena was built well before the advent of modern accessibility standards. Thus, an important direction is to encourage the construction and retrofit of housing accessible to people of all abilities. Various methods—Universal Design, Visitability, and others—have been proposed to achieve make buildings more accessible. Features typically include zero-step entrances, wide enough doorways for wheelchairs, and other key features. As part of the Housing Element Plan, the City will evaluate the feasibility of such alternatives for new and rehabilitated housing in Pasadena.

**2008–2014 Objective(s):**

Evaluate the feasibility of incorporating concepts of visitability, universal design, and other accessibility requirements for new and rehabilitated housing in Pasadena.

**C. Housing Accessibility Assistance**

Pasadena offers several programs that assist disabled homeowners with accessibility improvements. The Maintenance Assistance Services to Homeowners (MASH) program provides Citywide minor housing rehabilitation and emergency home repairs, including modifications for accessibility. The Neighborhood Impact Program provides financing for major/minor housing rehabilitation (grants and loans) and emergency home repairs, including accessibility improvements. In the past several years, Pasadena was also awarded state grants for home accessibility improvements.

**2008–2014 Objective(s):**

Continue to provide assistance to disabled homeowners in making accessibility improvements to their homes. Seek ways to expand the program to renters.

**PROGRAM # 18: HOUSING FOR FAMILIES****A. Development of Housing for Families**

As an established city, the majority of affordable homes are relatively smaller in size. Moreover, a recent market surveys show that Pasadena's housing market is not producing enough family housing; private developers are building primarily one- and two-bedroom condominiums and apartments targeted toward singles and couples without children. As part of Pasadena's Policy on Children, Youth and Families (2006), the City Council adopted a policy to increase the supply of adequate and affordable housing for families with children. To implement this policy, the City will evaluate incorporation of incentives in the Inclusionary Housing Program and establishment of a comprehensive funding strategy to include family housing.

**2008–2014 Objective(s):**

Evaluate establishing incentives within the Inclusionary Housing Ordinance and allocations within a housing expenditure policy for large family units.

**B. Housing for Emancipated Youth**

Emancipating youth refers to youth “aging out” of the foster care system, as well as a broader group of youth becoming independent adults before the age of 18. Approximately 1,500 foster youth age out of the Los Angeles County child welfare system each year. Most have nowhere to turn for jobs, housing, higher education, or support. Given Pasadena’s high concentration of emancipating youth, combined with a shortage of affordable housing, this population is at high risk of homelessness. The City will explore opportunities to increase the supply of affordable apartments and transitional housing in conjunction with support services to help provide housing, education, and skills for emancipated youth to become independent adults.

**2008–2014 Objective(s):**

Explore opportunities to improve access to housing and supportive services for youth emancipating from foster care and institutional living.

**C. Student Housing**

Pasadena is home to Caltech, Fuller Theological Seminary, Art Center of Design, Pasadena Community College, and other private colleges that collectively enroll more than 35,000 students. Moreover, Pasadena Unified School District is one of the largest employers in the City. For students living in Pasadena, college students create a heightened demand for apartments that influences the rental market. The exceptionally large number of educational institutions in Pasadena also creates a demand for affordable housing for faculty. The City will continue to work with local universities in preparing and processing their Master Plans to provide additional housing opportunities for housing consistent with the General Plan.

**2008–2014 Objective(s):**

Work with educational institutions to process and approve Master Plans.

**PROGRAM # 19: HOUSING FOR SENIORS****A. Housing Facilities**

The City of Pasadena supports the provision of housing that is affordable to seniors in the community. The City of Pasadena has approximately 900 units of subsidized senior housing and is monitoring them to help preserve their affordability covenants. The PCDC allocates housing vouchers to many senior residents in the community. Senior housing is also encouraged in various multiple-family districts, with provisions for parking reductions, density bonus incentives, and fee reductions. The City is also using its resources in a creative manner to increase the supply of senior housing, such as the rehabilitation of Hudson Oaks. As opportunities become

available, the City will continue to facilitate new senior housing, increase housing vouchers for seniors, and/or preserve affordable senior housing in the community.

**2008–2014 Objective(s):**

Continue to support the provision of senior housing in the community.

**B. Senior Life Care Facilities**

As the baby boomer population ages, Pasadena seniors need an increasingly wider choice of housing opportunities. Senior housing providers are expanding their housing facilities and services to include “life care” housing opportunities, ranging from independent and semi-independent, to assisted-living housing. The concept is to allow seniors who no longer live in single-family homes to age in place without having to move to a completely different community as their health needs change. According to housing industry research, seniors will continue to be a growing segment of the population countywide and in most communities. To that end, the City of Pasadena will continue working with life-care facility providers in the community and developers to facilitate the construction of senior housing.

**2008–2014 Objective(s):**

Continue to support the provision of life/care housing in the community.

**C. Senior Services**

Senior citizens in Pasadena benefit from a broad range of supportive services that enable them to live in their homes as independently as possible. Through federal and state funding, the City funds a broad range of organizations that provide meal and nutrition, recreation, health care, and service programs. Many of the senior programs operate from the Pasadena Senior Center. Programs such as delivering meals to homebound seniors and referral services currently serve many Pasadena residents. Subsidized public transit is also available through the City’s Transit System. The City also works with various agencies to collectively address senior needs.

**2008–2014 Objective(s):**

Continue to support the provision of senior services in the community.

Table 7-2: Housing Implementation Summary



Program	Objective	Responsible Agency	Funding Source	Time-frame
1 a. Citywide Code Enforcement	Continue monitoring and enforcement of building and property maintenance codes.	Dept. of Planning and Development BNR Division	CDBG GF	Ongoing
1b. Emergency Enforcement	Continue implementation of emergency code enforcement.	City Prosecutor	CDBG GF	Ongoing
1c. Neighborhood Revitalization	Continue program implementation.	Dept. of Planning and Development BNR Division	CDBG GF	Ongoing
2a. Neighborhood Impact	Provide assistance to 25 households through PNHS program during the planning period.	Pasadena Neighborhood Housing Services	CDBG	Ongoing
2b. Neighborhood Organizations	Continue program implementation.	Human Services and Recreation Department	GF	Ongoing
2c. Northwest Pasadena	Continue program implementation.	Dept. of Planning and Development BNR Division	GF	Ongoing
3a. Occupancy Inspection	Continue to conduct housing inspections upon change of occupancy.	Dept. of Planning and Development BNR Division	GF	Ongoing
3b. Quadrennial Inspection	Continue implementation of multiple-family housing inspection program.	Dept. of Planning and Development BNR Division	GF	Ongoing
3c. Lead-based Paint hazards	Train code compliance officers and inspectors to identify lead hazards. Conduct enforcement through certified lead inspectors. Conduct community education and outreach on identification of lead hazards & prevention activities.	Public Health Department	GF	Ongoing
4a. Maintenance Assistance to Homeowners	Provide assistance to 20 households on an annual basis.	Dept. of Planning and Development BNR Division	CDBG	Ongoing
4c. Multi-family Acquisition and Rehabilitation	Establish program guidelines for an acquisition/rehabilitation program in 2011, and specific goals and workplan.	Housing Department	IHTF RDA State Federal	end of 2011
5a. Historic Preservation	Implement the Historic Preservation Ordinance.	Dept. of Planning and Development Planning Division	GF	Ongoing
5b. Historic Preservation Incentives	Advertise available incentives for historic preservation and assist property owners in determining incentives for their properties.	Dept. of Planning and Development Planning Division	GF	Ongoing
5c. Historic Home Rehabilitation	Continue program implementation.	Dept. of Planning and Development Planning Division	CDBG GF	Ongoing
6a. Preservation of At-Risk Housing	Contact property owners of at-risk projects to initiate preservation discussions. Based on outcome, 1) provide preservation incentives; 2) work	Housing Department	IHTF RDA State Federal	Ongoing

Table 7-2: Housing Implementation Summary

Program	Objective	Responsible Agency	Funding Source	Time-frame
	with priority purchasers; 3) provide technical assistance; 4) education to affected tenants & 5) provide financial assistance where feasible.			
7a. Specific Plans	Continue to provide appropriate land use designations to encourage the construction of residential and mixed-use projects near transit and other community amenities. Maintain and provide an inventory of potential sites and housing incentives to developers.	Dept. of Planning and Development Planning Division	GF	Ongoing
7b. Mixed Use	Continue implementation of mixed-use incentives, and monitor and assess the effectiveness (housing production) due to the incentives on an annual basis.	Dept. of Planning and Development Planning Division	GF	Ongoing
7c. Second Units	Review the City's second-unit standards, and evaluate changes to the ordinance to better facilitate second units in the context of maintaining neighborhood quality.	Dept. of Planning and Development Planning Division	GF	Ongoing
7d. Water and Sewer Infrastructure	Work with the City's Department of Water and Power to ensure that appropriate written policies and programs are in place to satisfy the requirements of SB 1087.	Dept. of Planning and Development Planning Division	GF	2011
7e. Monitoring Program	Continue to maintain a record of housing production and to report regularly to the City Council. In addition to the existing program, identify the development projects on sites that are included in the Adequate Site Inventory and compare actual number of constructed units with the potential number shown in the Inventory. Maintain inventory of sites with additional sites as identified.	Dept. of Planning and Development Planning Division	GF	Annual
8a. Inclusionary Housing	Continue to monitor effectiveness of the IHO and expenditure of IHT Funds, including preparation of an Annual Performance Assessment. Study modifications to the IHO program in light of the City's housing needs and market dynamics, including the need for low/very low income units.	Housing Department	IHTF	Annual Report; initiate study by 2010
8b. Density Bonus Ordinance	Continue to implement the Affordable Housing Density Bonus program.	Dept. of Planning and Development Planning Division	GF	Ongoing
8c. Parking Incentives for Housing	Continue to provide options for reduced parking as an incentive for the development of affordable, special needs, and transit-oriented housing.	Dept. of Planning and Development Planning Division	GF	Ongoing

Table 7-2: Housing Implementation Summary

Program	Objective	Responsible Agency	Funding Source	Time-frame
8d. Consolidated Affordable Housing Review	Continue to issue annual NOFA for affordable housing and, upon its completion, annually review and assess the timeliness and effectiveness of the process.	Housing Department	RDA IHTF Federal	Annual
9a. Financial Assistance	Continue to provide financial support for the production, rehabilitation, and preservation of affordable housing. Develop an Affordable Housing Strategy to guide expenditure of funds consistent with Pasadena's housing needs.	Housing Department	RDA IHTF Federal	by 2010
9b. Land Assemblage /Write Downs	Annually issue RFPs for the development of affordable housing when \$5 million in uncommitted funding is available. Examine creative partnerships and mechanisms for land assemblage/ and/or writedowns.	Housing Department	RDA, IHTF	Ongoing
9c. Fee Waivers and Modifications	Continue to provide reduced development fees in support of affordable housing. Examine appropriateness of the \$125,000 cap on affordable housing fee reductions.	Dept. of Planning and Development Planning Division	GF	Ongoing
10a. Green Building Design	Provide outreach and education to developers, contractors, architects, and business owners to provide information on how to incorporate sustainability in project design.	Dept. of Planning and Development Building Division	GF	Ongoing
10b. Design Review	Continue to implement design review to ensure maintenance of Pasadena's architectural character and quality of the built environment.	Dept. of Planning and Development Building Division	GF	Ongoing
10c. Garden Standards	Implement City of Garden standards as a tool to enhance the quality and compatibility of multiple family housing development.	Dept. of Planning and Development Planning Division	GF	Ongoing
11a. Homebuyer Education and Counseling	Provide homebuyer education and foreclosure counseling to 200 prospective homebuyers on an annual basis.	PNHS	HOME RDA	Ongoing
11b. Homeownership Opportunities	Continue implementation and consider program modifications to make the homeownership program more flexible to market conditions. Serve up to four households annually.	Housing Department	IHTF RDA HOME State	Ongoing
11c. Mortgage Credit Certificate	Continue to advertise the MCC Program in conjunction with homebuyer education and assistance programs, and maintain a current listing of participating lenders.	County of Los Angeles	MCC	Ongoing

Table 7-2: Housing Implementation Summary

Program	Objective	Responsible Agency	Funding Source	Time-frame
11d. Homebuyer Closing Costs	Support the closing cost loan program of PFAR and CAR to assist 11 households during the 2006–2014 planning period.	PFAR; CAR	PFAR; CAR	Ongoing
12a. Housing Choice Voucher	Continue to assist 1,315 households in Section 8 program. Allocate project-based vouchers to ensure the long-term affordability of Hudson Oaks and Centennial Place SRO.	Housing Department	Section 8	Ongoing
12b. Home Tenant-Based Rental Assistance	Assist up to 90 households during the planning period.	Housing Department	HOME	Ongoing
12c. Emergency Rental Assistance Deposit	Assist 300 households during the planning period.	Housing Department	HOME IHTF RDA	Ongoing
12d. Affordable Housing Website	Continue program implementation	Housing Department	RDA	Ongoing
13a. Collaborative Partnerships	Continue to work with and seek additional partners to achieve City housing goals.	Housing Department	RDA	Ongoing
13b. Pasadena Affordable Housing Practitioners and Advisors	Meet on a periodic basis to discuss housing issues and propose program and policy solutions to housing and community development needs.	Housing Department	RDA	Ongoing
13c. Funding Program	Seek additional funding sources to meet City housing goals.	Housing Department	RDA	Ongoing
14a. Fair Housing Services	Continue to provide fair housing services and tenant-landlord mediation.	Housing Department	CDBG	Ongoing
14b. Fair Housing Outreach	Develop a plan of action to address fair housing for persons with disabilities.	Housing Department	CDBG	2010
14c. Tenant Protections	Continue to implement the Tenant Protection Ordinance.	Housing Department	RDA	Ongoing
15a. Family Self Sufficiency	Provide ongoing assistance to 25 households.	Housing Department	Section 8	Ongoing
15b. Shelter Plus Care	Provide ongoing assistance for up to 90 households during the planning period and apply to HUD for more shelter plus care certificates as they become available	Housing Department	S+C	Ongoing
15c. Housing Opportunities for People with AIDS	Assist 35 households during the planning period.	Housing Department	HOPWA	Ongoing
16a. Homeless Prevention	Provide supplemental resources to 85 households at risk of homelessness on an annual basis through the program. Ensure implementation of the 110-Year Strategy to End Homelessness through preparation of Annual Action Plans.	Housing Department	Federal	Ongoing

Table 7-2: Housing Implementation Summary

Program	Objective	Responsible Agency	Funding Source	Time-frame
16b. Emergency Shelter Program	Continue program implementation consistent with the City's Continuum of Care Plan.	Housing Department	ESG IHTF	Ongoing
16c. Transitional and Permanent Supportive Housing	Continue program implementation. Issue RFPs for the development of permanent supportive housing and use unallocated project-based vouchers to support the goals and objectives in the Continuum of Care Plan.	Housing Department	RDA IHTF	Ongoing
16d. Sites for Emergency Shelter	Amend the Zoning Code to define a zone to permit emergency shelters by right in the IG and CD-6 district and/or other districts and develop objective standards to facilitate, encourage, and regulate shelters.	Dept. of Planning and Development Planning Division	GF	2010
17a. Reasonable Accommodation	Implement Reasonable Accommodation ordinance. Periodically analyze the City's process to identify any constraints to the development, maintenance, and improvement of housing for persons with disabilities and take corrective measures as necessary.	Dept. of Planning and Development Planning Division	GF	Ongoing
17b. Universal Design/Visitability	Evaluate the feasibility of incorporating concepts of visitability, universal design, and other accessibility requirements for new and rehabilitated housing.	Dept. of Planning and Development Building Division	GF	2010
17c. Housing Accessibility Assistance	Continue to provide assistance to disabled homeowners in making accessibility improvements to their homes. Seek ways to expand the program to renters.	Dept. of Planning and Development Building Division	GF	Ongoing
18a. Development of Housing for Families	Evaluate establishing incentives within the IHO and allocations within a housing expenditure policy for large family units.	Housing Department	RDA IHTF	2010
18b. Housing for Emancipated Youth	Explore opportunities to improve access to housing and supportive services for youth emancipating from foster care and institutional living.	Dept. of Planning and Development Building Division	GF	Ongoing
18c. Housing for Students	Work with educational institutions to process and approve Master Plans that are consistent with the General Plan.	Dept. of Planning and Development Building Division	GF	Ongoing
19a. Senior Housing	Continue to support the provision of senior housing in the community.	Dept. of Planning and Development Building Division	GF	Ongoing

**Table 7-2: Housing Implementation Summary**

<b>Program</b>	<b>Objective</b>	<b>Responsible Agency</b>	<b>Funding Source</b>	<b>Time-frame</b>
19b. Life/Care Facilities	Continue to support the provision of life/care housing in the community.	Dept. of Planning and Development Building Division	GF	Ongoing
19c. Senior Services	Continue to support the provision of senior services in the community.	Dept. of Planning and Development Building Division	GF	Ongoing

Source: City of Pasadena, 2010.

Funding Sources:	IHTF: Inclusionary Housing Trust Funds
GF: General Fund	MCC: Mortgage Credit Certificates
RDA: Redevelopment Tax Increment	ESG: Emergency Shelter Grant
CDBG: Community Development Block Grant	HOPWA: Housing Opportunities for Persons w/AIDS
HOME: HOME Investment Partnership Funding	Section 8: Housing Choice Vouchers



