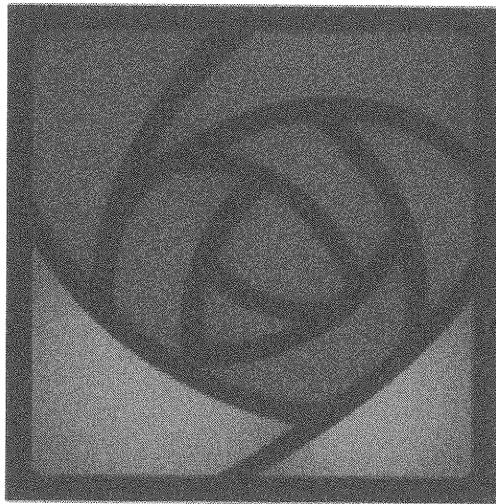


# ***CITY OF PASADENA***



## **Annual Action Plan**

**2013-2014**



# **SF 424 Forms**

**Application for Federal Assistance SF-424**

Version 02

**\*1. Type of Submission:**

- Preapplication
- Application
- Changed/Corrected Application

**\*2. Type of Application**

- New
- Continuation
- Revision

\* If Revision, select appropriate letter(s)

\*Other (Specify) \_\_\_\_\_

**3. Date Received:**

**4. Applicant Identifier:**

B-13-MC-06-0525

**5a. Federal Entity Identifier:**

96-6000759

**\*5b. Federal Award Identifier:**

**State Use Only:**

**6. Date Received by State:**

**7. State Application Identifier:**

**8. APPLICANT INFORMATION:**

\*a. Legal Name: City of Pasadena

**\*b. Employer/Taxpayer Identification Number (EIN/TIN):**

95-6000759

**\*c. Organizational DUNS:**

028-900-439

**d. Address:**

\*Street 1: P.O. Box 7115

Street 2: \_\_\_\_\_

\*City: Pasadena

County: Los Angeles

\*State: California

Province: \_\_\_\_\_

\*Country: USA

\*Zip / Postal Code 91109

**e. Organizational Unit:**

**Department Name:**

Housing Department

**Division Name:**

Housing/Community Development

**f. Name and contact information of person to be contacted on matters involving this application:**

Prefix: Mr.

\*First Name: William

Middle Name: K.

\*Last Name: Huang

Suffix: \_\_\_\_\_

Title: Housing Director

Organizational Affiliation:

\*Telephone Number: 626-744-8320

Fax Number: 626-744-8340

\*Email: whuang@cityofpasadena.net



**Application for Federal Assistance SF-424**

Version 02

**\*9. Type of Applicant 1: Select Applicant Type:**

C. City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\*Other (Specify)

**\*10 Name of Federal Agency:**

**U.S. Department of Housing and Urban Development (HUD)**

**11. Catalog of Federal Domestic Assistance Number:**

14-218 \_\_\_\_\_

CFDA Title:

Community Development Block Grant (CDBG) Program \_\_\_\_\_

**\*12 Funding Opportunity Number:**

\_\_\_\_\_

\*Title:

\_\_\_\_\_

**13. Competition Identification Number:**

\_\_\_\_\_

Title:

\_\_\_\_\_

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

**Pasadena, Los Angeles, California**

**\*15. Descriptive Title of Applicant's Project:**

CDBG funds will be used to provide public services, economic development, fair housing, planning and administrative activities.

**Application for Federal Assistance SF-424** Version 02

**16. Congressional Districts Of:**  
 \*a. Applicant: 29th \*b. Program/Project: 29th

**17. Proposed Project:**  
 \*a. Start Date: 07/01/2013 \*b. End Date: 06/30/2014

**18. Estimated Funding (\$):**

*a. Federal	1,775,309	
*b. Applicant		
*c. State		
*d. Local		
*e. Other		
*f. Program Income	303,828	
*g. TOTAL	2,079,137	

**\*19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on \_\_\_\_\_

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E. O. 12372

**\*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

Yes  No

21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

**Authorized Representative:**

Prefix: Mr. \*First Name: Michael

Middle Name: J.

\*Last Name: Beck

Suffix: \_\_\_\_\_

\*Title: City Manager

\*Telephone Number: 626-744-4333 Fax Number: 626-744-3921

\* Email: mbeck@cityofpasadena.net

\*Signature of Authorized Representative: \_\_\_\_\_ \*Date Signed: \_\_\_\_\_

**Application for Federal Assistance SF-424**

Version 02

**\*Applicant Federal Debt Delinquency Explanation**

The following should contain an explanation if the Applicant organization is delinquent of any Federal Debt.

**Application for Federal Assistance SF-424**

Version 02

\*1. Type of Submission:

- Preapplication  
 Application  
 Changed/Corrected Application

\*2. Type of Application

- New  
 Continuation  
 Revision

\* If Revision, select appropriate letter(s)

\*Other (Specify)  
\_\_\_\_\_

3. Date Received:

4. Applicant Identifier:

S-13-MC-06-0525

5a. Federal Entity Identifier:

96-6000759

\*5b. Federal Award Identifier:

**State Use Only:**

6. Date Received by State:

7. State Application Identifier:

**8. APPLICANT INFORMATION:**

\*a. Legal Name: City of Pasadena

\*b. Employer/Taxpayer Identification Number (EIN/TIN):

95-6000759

\*c. Organizational DUNS:

028-900-439

**d. Address:**

\*Street 1: P.O. Box 7115

Street 2: \_\_\_\_\_

\*City: Pasadena

County: Los Angeles

\*State: California

Province: \_\_\_\_\_

\*Country: USA

\*Zip / Postal Code 91109

**e. Organizational Unit:**

Department Name:

Housing Department

Division Name:

Housing/Community Development

**f. Name and contact information of person to be contacted on matters involving this application:**

Prefix: Mr.

\*First Name: William

Middle Name: K.

\*Last Name: Huang

Suffix: \_\_\_\_\_

Title: Housing Director

Organizational Affiliation:

\*Telephone Number: 626-744-8320

Fax Number: 626-744-8340

\*Email: whuang@cityofpasadena.net

**Application for Federal Assistance SF-424**

Version 02

**\*9. Type of Applicant 1: Select Applicant Type:**

C. City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\*Other (Specify)

**\*10 Name of Federal Agency:**

**U.S. Department of Housing and Urban Development (HUD)**

**11. Catalog of Federal Domestic Assistance Number:**

14-231 \_\_\_\_\_

CFDA Title:

Emergency Shelter Grant (ESG) Program \_\_\_\_\_

**\*12 Funding Opportunity Number:**

\_\_\_\_\_

\*Title:

\_\_\_\_\_

**13. Competition Identification Number:**

\_\_\_\_\_

Title:

\_\_\_\_\_

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

**Pasadena, Los Angeles, California**

**\*15. Descriptive Title of Applicant's Project:**

ESG program funds will be used to provide essential services, homeless prevention, rapid rehousing and emergency shelter services.

**Application for Federal Assistance SF-424**

Version 02

**16. Congressional Districts Of:**

\*a. Applicant: 29th

\*b. Program/Project: 29th

**17. Proposed Project:**

\*a. Start Date: 07/01/2013

\*b. End Date: 06/30/2014

**18. Estimated Funding (\$):**

*a. Federal	_____	127,931
*b. Applicant	_____	
*c. State	_____	
*d. Local	_____	
*e. Other	_____	127,931
*f. Program Income	_____	
*g. TOTAL	_____	255,862

**\*19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on \_\_\_\_\_
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E. O. 12372

**\*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

- Yes       No

21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

**Authorized Representative:**

Prefix: Mr.      \*First Name: Michael

Middle Name: J.

\*Last Name: Beck

Suffix: \_\_\_\_\_

\*Title: City Manager

\*Telephone Number: 626-744-4333

Fax Number: 626-744-3921

\* Email: mbeck@cityofpasadena.net

\*Signature of Authorized Representative:

\*Date Signed:

**Application for Federal Assistance SF-424**

Version 02

**\*Applicant Federal Debt Delinquency Explanation**

The following should contain an explanation if the Applicant organization is delinquent of any Federal Debt.

**Application for Federal Assistance SF-424**

Version 02

\*1. Type of Submission:

- Preapplication
- Application
- Changed/Corrected Application

\*2. Type of Application

- New
- Continuation
- Revision

\* If Revision, select appropriate letter(s)

\*Other (Specify)  
\_\_\_\_\_

3. Date Received:

4. Applicant Identifier:

M-13-MC-06-0525

5a. Federal Entity Identifier:

96-6000759

\*5b. Federal Award Identifier:

**State Use Only:**

6. Date Received by State:

7. State Application Identifier:

**8. APPLICANT INFORMATION:**

\*a. Legal Name: City of Pasadena

\*b. Employer/Taxpayer Identification Number (EIN/TIN):

95-6000759

\*c. Organizational DUNS:

028-900-439

**d. Address:**

\*Street 1: P.O. Box 7115

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\*City: Pasadena

County: Los Angeles

\*State: California

Province: \_\_\_\_\_

\*Country: USA

\*Zip / Postal Code 91109

**e. Organizational Unit:**

Department Name:

Housing Department

Division Name:

Housing/Community Development

**f. Name and contact information of person to be contacted on matters involving this application:**

Prefix: Mr.

\*First Name: William

Middle Name: K.

\*Last Name: Huang

Suffix: \_\_\_\_\_

Title: Housing Director

Organizational Affiliation:

\*Telephone Number: 626-744-8320

Fax Number: 626-744-8340

\*Email: [whuang@cityofpasadena.net](mailto:whuang@cityofpasadena.net)



**Application for Federal Assistance SF-424**

Version 02

**\*9. Type of Applicant 1: Select Applicant Type:**

C. City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\*Other (Specify)

**\*10 Name of Federal Agency:**

**U.S. Department of Housing and Urban Development (HUD)**

**11. Catalog of Federal Domestic Assistance Number:**

14-239 \_\_\_\_\_

CFDA Title:

HOME Investment Partership Program \_\_\_\_\_

**\*12 Funding Opportunity Number:**

\_\_\_\_\_

\*Title:

\_\_\_\_\_

**13. Competition Identification Number:**

\_\_\_\_\_

Title:

\_\_\_\_\_

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

**Pasadena, Los Angeles, California**

**\*15. Descriptive Title of Applicant's Project:**

HOME program funds will be used to create and retain affordable housing for low-income residents in the City of Pasadena.

<b>Application for Federal Assistance SF-424</b>		Version 02
<b>16. Congressional Districts Of:</b>		
*a. Applicant: 29th	*b. Program/Project: 29th	
<b>17. Proposed Project:</b>		
*a. Start Date: 07/01/2013	*b. End Date: 06/30/2014	
<b>18. Estimated Funding (\$):</b>		
*a. Federal	552,315	
*b. Applicant		
*c. State		
*d. Local		
*e. Other		
*f. Program Income		
*g. TOTAL	552,315	
<b>*19. Is Application Subject to Review By State Under Executive Order 12372 Process?</b>		
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on _____ <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E. O. 12372		
<b>*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)</b>		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001) <input checked="" type="checkbox"/> ** I AGREE ** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions		
<b>Authorized Representative:</b>		
Prefix: Mr.	*First Name: Michael	
Middle Name: J.		
*Last Name: Beck		
Suffix:		
*Title: City Manager		
*Telephone Number: 626-744-4333	Fax Number: 626-744-3921	
* Email: mbeck@cityofpasadena.net		
*Signature of Authorized Representative:		*Date Signed:

**Application for Federal Assistance SF-424**

Version 02

**\*Applicant Federal Debt Delinquency Explanation**

The following should contain an explanation if the Applicant organization is delinquent of any Federal Debt.



# City of Pasadena

## Five Year Consolidated Plan (2010 – 2015) Annual Action Plan (2013 -2014)

### Introduction

The City of Pasadena Five-Year Consolidated Plan 2010 – 2015 (Consolidated Plan) provides a framework to identify community needs that include: 1) housing 2) homelessness and 3) community and economic development needs. Additionally, the Consolidated Plan helps to identify available resources and devise a Strategic Plan for meeting these needs.

This Consolidated Plan consists of a Five (5) Year Strategic Plan and an Annual Action Plan. The Strategic Plan contains three major parts: 1) a housing/homeless, community and economic development needs assessment 2) a housing market analysis; and 3) long-term strategies to meet priority needs. The Annual Action Plan describes the specific projects and activities that Pasadena will undertake in the coming year with local, U. S. Department of Housing and Urban Development (HUD), and other federal funds to address the identified priority needs. The Action Plan also contains certifications indicating that the City will follow certain requirements such as furthering fair housing.

The Consolidated Plan also functions as: 1) a planning document for the City, which builds on the City's citizen participation process at the grassroots levels; 2) an application for federal funds under HUD formula grant programs; 3) a strategy to be followed in carrying out HUD programs; and 4) an Action Plan that provides a basis for assessing performance.

Essentially, the Consolidated Plan simplifies the steps needed to receive funding through four (4) HUD formula grant programs. These four (4) federal grants are:

**Community Development Block Grant (CDBG):** A formula-based program that annually allocates funds to metropolitan cities, urban counties, and states for a wide range of eligible housing and community development activities. Over a one (1) year period, not less than 70 percent of the City's CDBG expenditures must be used for activities that benefit low- and moderate-income persons.

**HOME Investment Partnership (HOME):** A formula-based program that provides allocations to states and units of general local governments, known as participating jurisdictions (PJ). The purpose of the HOME Program is to retain and expand the supply of affordable housing principally for low- and very low-income families through housing rehabilitation, new construction, first-time homebuyer financing, and rental assistance.

**Emergency Solutions Grant (ESG):** A formula-based program that allocates funds to states, metropolitan cities, and urban counties to support emergency shelters for homeless individuals and families.

**Housing Opportunities for Persons with HIV/AIDS (HOPWA):** A grant program that addresses the needs of persons living with HIV or AIDS and their families.

Additionally, the Consolidated Plan provides a basis for programming and allocating other federal funds including its Housing Choice Voucher Program, Continuum of Care Homeless Assistance Programs (Supportive Housing, Shelter Plus Care and Section 8 Moderate Rehabilitation for Single Room Occupancy Dwellings, etc.) as well as local housing and development resources.

The overall goal of the federal community planning and development programs covered by the Consolidated Plan is to develop viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities principally for low- and moderate-income persons. The primary means towards this end is to extend and strengthen partnerships among all levels of government and the private sector. The statutory program goals are:

**DECENT HOUSING** - which includes:

- Assisting homeless persons to obtain appropriate housing.
- Assisting persons at risk of becoming homeless.
- Retention of the affordable housing stock.
- Increase the availability of permanent housing in standard condition and affordable cost to low-income and moderate-income families; particularly to members of disadvantaged minorities, without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability.
- Increasing the supply of supportive housing which includes structural features and services needed to enable persons with special needs (including persons with HIV/AIDS) to live with dignity and independence.
- Providing affordable housing to low-income persons that is also accessible to job opportunities.

**A SUITABLE LIVING ENVIRONMENT** - which includes:

- Improving the safety and livability of neighborhoods.
- Increasing access to quality public and private facilities and services.
- Reducing the isolation of income groups within areas through the spatial de-concentration of housing opportunities for lower income persons and the revitalization of deteriorating or deteriorated neighborhoods.
- Restoring and preserving properties of historic, architectural, or aesthetic value.
- Conservation of energy resources.

**EXPANDED ECONOMIC OPPORTUNITIES** - which includes:

- Job creation and retention.
- Establishment, stabilization and expansion of small businesses (including micro-businesses).
- The provision of public services concerned with employment.
- The provision of jobs to low-income persons living in areas affected by those programs and activities, or jobs resulting from carrying out activities under programs covered by the Plan.
- Availability of mortgage financing for low-income persons at reasonable rates using non-discriminatory lending practices.
- Access to capital and credit for development activities that promote the long-term economic and social viability of the community.
- Empowerment and self-sufficiency for low-income persons to reduce generational poverty in federally assisted housing and public housing.

## **CITY OF PASADENA- Housing Vision**

In support of HUD's goals, the City believes that 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.

The City of Pasadena shall achieve this vision by using its resources to:

- Support and provide fair and equal housing opportunities for all persons regardless of race, age, income, disability, sexual orientation, marital status, household size, ancestry, national origin, religion, or color.
- Provide an adequate supply and range of housing opportunities throughout the City by assisting in the development of the construction of new housing, preservation of existing affordable housing, and being responsive to the special housing needs of certain resident populations.
- Reduce or mitigate governmental constraints which hinder the production, preservation, maintenance and improvement of housing, particularly affordable housing, for Pasadena residents.
- Ensure that Pasadena residents, especially those with extremely low to moderate incomes and special needs, are assisted in meeting housing needs through the provision of assistance for rental, residential rehabilitation, homeownership, housing counseling, and other housing support services.
- Conserve and improve the condition of the existing affordable housing stock, which may include ways to mitigate the loss of dwelling units throughout the City.
- Preserve assisted housing for lower income households.





## **EXECUTIVE SUMMARY AND KEY OBJECTIVES**

The Executive Summary provides an overview of the City of Pasadena's housing and community development goals and objectives, priorities and strategies as described in the Five Year Consolidated Plan (2010 - 2015) approved by City Council on May 10, 2010. The overriding purpose of the housing and community development activities cited in this Plan is to target resources to meet the needs of low/moderate-income residents and to intensify revitalization efforts in the census tracts that have the greatest concentration of low/moderate-income households.

In accordance with the U. S. Department of Housing and Urban Development Consolidated Submission for Community Planning and Development Programs (24 Code of Federal Regulations (CFR) Part 91, the Annual Action Plan (2013 - 2014) includes the Standard Form 424 which serves as the City's application, a description of Federal and non-federal resources expected to be available to address the priority needs and specific objectives identified in the Plan; description of activities to be undertaken during the fiscal year, a description of the geographic distribution of funds and projects and activities including those that address emergency shelter and transitional housing needs of homeless individuals and families.

The Annual Action Plan also addresses "obstacles to meeting under-served needs, activities to foster and maintain affordable housing, remove barriers to affordable housing, evaluate and reduce lead-based paint hazards, reduce the number of poverty level families, development of institutional structure and enhance coordination between public and private housing and social service agencies/organizations, and foster public housing improvements and resident initiatives."

The Consolidated Plan is designed to enable the City of Pasadena to establish a unified vision for community development actions. It offers the City the opportunity to shape its various housing and community development programs into effective, coordinated, neighborhood and community development strategies. The Consolidated Plan approach is also the means to meet the application requirements for the Community Development Block Grant (CDBG); Emergency Solutions Grant (ESG), Home Investment Partnership Act (HOME) and Housing Opportunities for Persons with AIDS (HOPWA) programs.

The City is a very desirable place in which to work and to live and has a world-class reputation. The high demand in the housing market makes it more difficult for residents with limited income and limited skills to continue to afford to live in Pasadena.

The statutes for the formula grant programs set forth three basic goals against which the Plan and the City of Pasadena's performance under the Plan will be evaluated by the U. S. Department of Housing and Urban Development (HUD). The Plan must state how the City will pursue these goals for all community development programs, as well as all housing programs. These statutory program goals are:

**DECENT HOUSING** which includes assisting homeless persons with obtaining affordable housing; assisting persons at risk of becoming homeless; retention of the local affordable housing stock; increasing the availability of affordable permanent housing in standard condition to low-income and moderate income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, familial status, or disability; increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons

with HIV/AIDS) to live in dignity and independence; and providing affordable housing that is accessible to employment/jobs.

**A SUITABLE LIVING ENVIRONMENT** which includes improving the safety and livability of neighborhoods; increasing access to quality public and private facilities and services; reducing the isolation of income groups within areas through spatial de-concentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods; restoring and preserving properties of special historic, architectural, or aesthetic value; and conservation of energy resources.

**EXPANDED ECONOMIC OPPORTUNITIES** which includes job creation and retention; establishment, stabilization and expansion of small businesses (including micro businesses); the provision of public services concerned with employment, the provision of jobs resulting from carrying out activities under programs covered by the plan; availability of mortgage financing for low-income persons at reasonable rates using non-discriminatory lending practices; access to capital and credit for development activities that promote the long-term economic and social viability of the community; and empowerment and self-sufficiency for low-income persons to reduce generational poverty in federally assisted housing and public housing.

## **KEY OBJECTIVES**

The primary goal of the 5 Year Strategic Plan is to summarize the priorities and specific objectives to be addressed during the five-year period of the City's Five Year Consolidated Plan (2010 – 2015) and to identify the proposed housing and community development activities to be undertaken. The principal objectives are as follows:

### **Housing Goals**

#### **1. To improve and expand affordable housing options.**

##### **Objectives:**

- **Owner occupied housing:** Improve the quality of existing owner-occupied housing stock to support community and neighborhood stability relative to neighborhood revitalization efforts (i.e., Housing made accessible, brought up to code, made safer or more energy efficient).
- **Housing for buyers:** Increase homeownership opportunities for low/moderate income residents through the construction of affordable homes, rehabilitation efforts or down payment assistance.
- **Rental housing:** Expand the number of affordable rental units and improve the quality of rental units available to low/moderate income individuals throughout the Pasadena community (i.e., renovation for accessibility and code issues).

## **Homeless and Special Populations Goals**

### **1. To improve services to the homeless and special populations.**

#### **Objectives:**

- **Homeless:** provide homeless prevention and intervention services including housing and supportive services (i.e., job training, childcare and access to services).
- **Special Populations:** Improve the availability of support services to special populations.

## **Community Development Goals**

### **1. Expand opportunities for small business activities that generate new employment opportunities and assist with the development of micro-enterprises.**

#### **Objectives:**

- Create opportunities for business retention, expansion and education activities that limit adverse community impacts and generate new employment opportunities for low/ moderate income residents.
- Support capital improvement activities for economic development programs support financial assistance for small business development.

### **2. Increase access to resources for low/ moderate income residents and community groups.**

#### **Public Facility Objectives:**

- Support renovation of neighborhood facilities including schools that provide educational support, cultural enrichment, and community activities.
- Support renovation of parks and recreation facilities that provide academics, sports and recreation, and other community activities.
- Support renovation for health facilities that provide greater access to quality health to very low-, low-, and moderate-income households.

#### **Public Service Objectives:**

- Support education programs that provide academic and family enrichment services.
- Support employment and training which includes job placement/ retention services, referral services, and other supportive services.
- Support career development programs that provide job preparation services to homeless and very low income individuals including youth and young adults ages 14-21 for entry or re-entry into the workforce.
- Support food and nutrition programs that promote access to affordable, nutritious food and nutrition education.

- Support healthcare services that provide health assessments, medical, dental and mental health treatment, and education to families.

**Anti-Crime Objectives:**

- Support community violence and safety initiatives that provide violence and gang prevention/ intervention activities that will result in a safer community.

**Youth Program Objectives:**

- Support youth programs that provide mentorship programs, recreational activities, educational opportunities, enrichment opportunities, youth participation in government, and other supportive services for low/ moderate income youth and young adults.
- Support child care programs that provide services to low/ moderate income households.

**Planning and Administration Objectives:**

- Support activities that include fair housing, housing, neighborhood revitalization, and economic development.
- Develop, guide and manage activities including fair housing services, that have both a long and short term impact of the community while meeting the National and local objectives.

**MAJOR OUTCOMES AND PAST PERFORMANCE**

The key objectives of the Five Year Consolidated Plan as listed above are divided into two (2) categories: Housing Needs (including homeless and special populations) and Non-Housing/Community Development Needs.

Housing – During the past period covered in the City’s prior Five Year Consolidated Plan (2010 – 2015) the City is working toward meeting its goals in both categories. This is the fourth year (2013-2014) of the City’s current Five Year Consolidated Plan (2010 – 2015).

Non-Housing/Community Development Needs – The City continues to provide quality services to its residents, many of these community services are augmented with federal dollars. Services include the provision of public/human services, assistance to non-profits/for profits for the provision of economic development opportunities for low/moderate income residents; renovation and repair as well as accessibility improvements to public facilities that are available in the community. Additionally, as part of the non-housing community development needs the Housing Department has the fiduciary responsibility to ensure compliance with federal regulations and to meet all reporting guidelines.

It is anticipated that the City will perform well again in meeting its goals and objectives. Past performance demonstrates overall success. In areas where problems and/or difficulties may arise, the City addresses these issues in its CAPER - Consolidated Annual Performance and Evaluation Report.



# **CITY OF PASADENA**

## **ANNUAL ACTION PLAN (2013 - 2014)**

### **1. ACTION PLAN: ONE-YEAR USE OF FUNDS**

#### ***Overview - Purpose and Content of the 2013-2014 Annual Action Plan***

The United States Department of Housing and Urban Development (HUD) has established that all Participating Jurisdictions that receive CDBG, HOME and ESG funds must prepare an Annual Action Plan that shows the jurisdiction's needs and resources and established goals and objectives. These goals must address decent housing, suitable living environments, and expansion of economic opportunities for residents, including low and moderate-income people. The Annual Action Plan activities to be undertaken are updated annually and or as needed through the amendment of the Consolidated Plan.

The 2013-2014 Annual Action Plan describes all available resources and lists activities by type. The City will use CDBG, HOME and ESG available resources to provide affordable housing opportunities and to address the City's community development needs.

The lead agency responsible for overseeing the development of the 2013-2014 Annual Action Plan is the City of Pasadena's Housing Department. The Annual Action Plan includes the Standard Forms 424, which are the formal applications to HUD for CDBG, HOME and ESG funds.

### **2. AVAILABLE RESOURCES**

The City of Pasadena has access to federal, state, and local resources to help achieve its housing and community development goals. Funding varies and non-entitlement funds are obtained by competing through an open competitive application process. The amount of funding varies from year to year depending on the success of grant applications and availability of funding sources.

#### **Federal Resources**

#### **Community Development Block Grant (CDBG) Funds**

It is estimated that the City of Pasadena will receive \$1,775,309 in CDBG funds. The City also anticipates approximately \$303,828 in program income and \$69,404 in carryover from prior year funds. These funds will be used for public services, economic development, housing, public facilities and improvements, Section 108 repayment and administration.

#### **HOME Investment Partnership Funds**

For the 2013-2014 program year, the City of Pasadena will receive \$552,315 in HOME Program funds. The City will use its HOME funds for the homeownership assistance for first-time home buyers, construction of new rental units, construction of a senior citizens apartment complex, purchase, rehabilitation, and resale of vacant, single-family residences to first-time homebuyers, tenant-based rental assistance, rental rehabilitation, rehabilitation

of special needs housing projects and administration. The City's HOME Program requires a match of 25% from non-federal funding sources.

## **Emergency Solutions Grant (ESG) Funds**

The City of Pasadena will receive an estimated \$127,931 in ESG funds. Seven (7) activities will be implemented using Emergency Shelter Grant funds. The required local match of \$127,931 for the ESG funds will be made by the agency sub-recipients.

## **Section 8 Rental Assistance Funds**

The Section 8 Housing Choice Voucher (HCV) program will receive approximately \$12.1 million dollars from the U.S. Department of Housing and Urban Development (HUD). PCDC administers federally funded rental assistance programs for residents of assisted housing. The PCDC Section 8 HCV program provides affordable, decent, safe and sanitary housing for eligible low and very low income families who are eligible under HUD regulations and to provide those eligible persons greater housing choices and the opportunity to locate housing outside of areas of poverty concentration.

## **Program Income**

All program income is reallocated back into CDBG, funded programs. For FY 2013-14, the City anticipates receiving \$303,828 in CDBG, and no program income in ESG and HOME.

## **Other/Local Resources**

### **Human Service Endowment Fund (HSEF)**

The City of Pasadena established the Human Service Endowment Fund (HSEF) in 1992 to support local human service activities. The HSEF is linked to the public/human service component of the Community Development Block Grant (CDBG) Program. The funding rationale for the collective allocation of these resources is based on annually established priorities for documented unmet human service needs. HSEF funds are made available on a two (2) year funding cycle. Through the CDBG request for proposal process, HSEF funds are awarded to community based human service organizations.

**Four (4)** activities will be implemented with HSEF funds. The total amount of funds for these activities is \$110,000. These activities will focus on services for children, youth, students, and seniors.

Similarly, other non-federal sources of funding that will be available include local Inclusionary Housing Trust Fund and Low/Moderate Income Housing Trust funds, and State HELP, BEGIN, Local Housing Trust and CALHOME funds. Activities proposed to be funded include homeownership assistance for first-time home buyers, construction of rental units for families, construction of a senior citizens apartment complex, tenant-based rental assistance, rental rehabilitation, and construction and rehabilitation of permanent supportive housing.





**CITY OF PASADENA**

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM**

**Fiscal Year 2013-2014**

CDBG Allocation:                 \$ 1,775,309

CDBG Program Income:         \$ 303,828

Anticipated Carry-Forward     \$ 69,404

<b>Proposed Projects</b>	<b>CDBG Funded Amounts</b>
Public Services (15% cap = \$311,870)	\$ 262,500
Mothers' Club Community Center	\$ 25,000
Foothill Unity Center	\$ 58,500
Pasadena Mental Health Association	\$ 25,000
Pasadena Unified School District	\$ 85,000
Journey House	\$ 29,000
Pasadena City College Foundation	\$ 25,000
YWCA Pasadena Foothill Valley	\$ 15,000
Administration (20% cap = \$ 415,827)	\$415,827
City of Pasadena Housing Department- Program Administration including Fair Housing	\$415,827
Other (Available \$ 1,470,214)	\$ 1,379,564
GRID Alternatives	\$ 50,000
Union Station Capital Improvement Project	\$ 100,000

Women at Work- Economic Development	\$ 50,000
City of Pasadena Public Works Department- P&NR	\$ 216,111
City of Pasadena Public Works Department- BSFMD	\$ 50,651
City of Pasadena Housing Department- MASH Program	\$ 575,000
City of Pasadena DoIT Department	\$ 30,000
City of Pasadena Housing Department- Section 108 Loan Repayment	\$358,453
<b>TOTAL</b>	<b>\$ 2,057,891</b>

**Table 3  
Consolidated Plan Listing of Projects**

**Applicant's Name** Mothers' Club Family Learning Center, Inc.

**Priority Need**  
Public Service Activity (Non-Housing Community Development)

**Project Title**  
Mothers' Club Community Center

**Project Description**

The Mothers' Club Community Center project strengthens families and provides a replicable model for family support and education. Services include early childhood education, age appropriate preschool program, and family supportive services together with parenting education classes.

**Location**

980 N. Fair Oaks Ave., Pasadena, CA 91103

Objective Number	Project ID
HUD Matrix Code 05L	CDBG Citation 24 CFR 570.201(e)
Type of Recipient Sub-Recipient	CDBG National Objective 24 CFR 570.208(a)(2)(i)(B)
Start Date 07/01/2013	Completion Date 06/30/2014
Performance Indicator People	Annual Units 60
Local ID	Units Upon Completion

**Funding Sources:**

CDBG	\$25,000
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
Total	\$25,000

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

**Table 3**  
**Consolidated Plan Listing of Projects**

**Applicant's Name**    **Foothill Unity Center**

**Priority Need**  
**Public Service Activity (Non-Housing Community Development)**

**Project Title**  
**Nutrition Assistance Project**

**Project Description**

The Nutrition Assistance Project provides a 10-day supply of groceries on a monthly basis to low/moderate income families and individuals. In addition to supplemental food, clients are given clothing vouchers for the agency's thrift shop, assistance with transportation, and emergency shelter motel vouchers.

**Location**  
**191 N. Oak Street, Pasadena, CA 91107**

Objective Number	Project ID	<b>Funding Sources:</b> CDBG ..... \$58,500 ESG ..... HOME ..... HOPWA ..... Total Formula ..... Prior Year Funds ..... Assisted Housing ..... PHA ..... Other Funding ..... Total ..... \$58,500
HUD Matrix Code 05	CDBG Citation 24 CFR 570.201(e)	
Type of Recipient Public/Private Non-Profit Organization	CDBG National Objective 24 CFR 570.208(a)(2)(i)(B)	
Start Date 07/01/2013	Completion Date 06/30/2014	
Performance Indicator People	Annual Units 900	
Local ID	Units Upon Completion	

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

**Table 3**  
**Consolidated Plan Listing of Projects**

**Applicant's Name**    **Pasadena Mental Health Association**

**Priority Need**  
**Non-Public Service Activity**

**Project Title**  
**Center and Outreach Counseling Program**

**Project Description**

This project will create an infrastructure within the counseling program of highly skilled, licensed, mental health professionals who train, supervise, and monitor mental health interns. The program is designed to enable the agency to attract a larger core group of graduate students in training for careers in mental health and thereby increase the number of clients that can be served. Mental health counseling will be provided to low/moderate income individuals/families.

**Location**

**1495 N. Lake Ave., Pasadena, CA 91104**

Objective Number	Project ID
HUD Matrix Code 050	CDBG Citation 24 CFR 570.201(e)
Type of Recipient Sub-Recipient	CDBG National Objective 24 CFR 570.208(a)(2)(i)(B)
Start Date 07/01/2013	Completion Date 06/30/2014
Performance Indicator People	Annual Units 350
Local ID	Units Upon Completion

**Funding Sources:**

CDBG	\$25,000
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
Total	\$25,000

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

**Table 3**  
**Consolidated Plan Listing of Projects**

**Applicant's Name**    **Pasadena Unified School District**

**Priority Need**  
**Public Service Activity (Non-Housing Community Development)**

**Project Title**  
**PUSD Health Services for NW Pasadena**

**Project Description**

The project serves children and families residing in the Benefit Service Area. These households are typified by day-to-day economic struggles, low educational achievement and have ongoing needs for community resources and assistance. The Family Centers, John Muir High School Nurse, and Young & Healthy Nurse Services program assists these individuals and families by combining 3 district programs.

- 1) 3 Healthy Start Family Centers (Cleveland, Madison, and Rose City) providing free health care and social services, food and nutrition programs, transportation assistance, parent education, etc.
- 2) The school nurse at John Muir High School provides health care and preventive health education including teen pregnancy and substance abuse.
- 3) Young and Healthy nurse services help ensure the continuity of health care for low income, uninsured and underinsured children.

**Location**

**351 S. Hudson Ave., Pasadena, CA 91101**

Objective Number	Project ID
HUD Matrix Code 05M	CDBG Citation 24 CFR 570.201(e)
Type of Recipient Local School District	CDBG National Objective 24 CFR 570.208(a)(2)(i)(B)
Start Date 07/01/2013	Completion Date 06/30/2014
Performance Indicator People	Annual Units 700
Local ID	Units Upon Completion

**Funding Sources:**

CDBG	\$85,000
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
Total	\$85,000

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

**Table 3**  
**Consolidated Plan Listing of Projects**

**Applicant's Name**    **Journey House, Inc.**

**Priority Need**  
**Public Service Activity (Non-Housing Community Development)**

**Project Title**  
**Foster and Emancipated Youth Services Projects**

**Project Description**

This project provides services foster youth and youth recently emancipated from the foster care system. Services include tutoring, psychological counseling, independent living skills, after-school activities, and other support as the youth transition out of high school and into college or vocational education.

**Location**

**1232 N. Los Robles Ave., Pasadena, CA 91104**

Objective Number	Project ID
HUD Matrix Code 05	CDBG Citation 24 CFR 570.201(e)
Type of Recipient Sub-Recipient	CDBG National Objective 24 CFR 570.208(a)(2)(i)(B)
Start Date 07/01/2013	Completion Date 06/30/2014
Performance Indicator People	Annual Units 75
Local ID	Units Upon Completion

**Funding Sources:**

CDBG	\$29,000
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
Total	\$29,000

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs



**Table 3  
Consolidated Plan Listing of Projects**

**Applicant's Name**    **Pasadena City College Foundation**

**Priority Need**  
**Public Service Activity (Non-Housing Community Development)**

**Project Title**  
**Project LEAP (Links to Educational Achievement and Progress)**

**Project Description**

**This project will market its services to low/moderate income first-generation college students who are encountering academic difficulties. Project LEAP helps students improve their academic experience by providing one-on-one mentoring from college faculty or staff. This project will also provide activities where mentors and students can interact in a group setting. Services include assessment, individual counseling, crisis intervention, and support, special events, and life skills training.**

**Location**

**1570 E. Colorado Blvd., Pasadena, CA 91106**

Objective Number	Project ID
HUD Matrix Code 05	CDBG Citation 24 CFR 570.201(e)
Type of Recipient Local School District	CDBG National Objective 24 CFR 570.208(a)(2)(i)(B)
Start Date 07/01/2013	Completion Date 06/30/2014
Performance Indicator People	Annual Units 55
Local ID	Units Upon Completion

**Funding Sources:**

CDBG	\$25,000
ESG	.....
HOME	.....
HOPWA	.....
Total Formula	.....
Prior Year Funds	.....
Assisted Housing	.....
PHA	.....
Other Funding	.....
<b>Total</b>	<b>\$25,000</b>

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

**Table 3**  
**Consolidated Plan Listing of Projects**

**Applicant's Name** YWCA Pasadena-Foothill Valley

**Priority Need**  
Public Service Activity (Non-Housing Community Development)

**Project Title**  
Just for Girls After School Prevention Program

**Project Description**

Provides at risk middle and high school girls activities that help develop self esteem, self confidence, improved interpersonal relationships, and set positive goals for their futures. Areas of service include: college preparation, academic enhancement, drug/substance abuse counseling, leadership classes, violence prevention/intervention techniques, etc.

**Location**  
1200 N. Fair Oaks, Pasadena, CA 91103

Objective Number	Project ID	<b>Funding Sources:</b> CDBG ..... \$25,000 ESG ..... HOME ..... HOPWA ..... Total Formula ..... Prior Year Funds ..... Assisted Housing ..... PHA ..... Other Funding ..... Total ..... \$25,000
HUD Matrix Code 05D	CDBG Citation 24 CFR 570.201(e)	
Type of Recipient Public/Private Non-Profit Organization	CDBG National Objective 24 CFR 570.208(a)(2)(i)(B)	
Start Date 07/01/2013	Completion Date 06/30/2014	
Performance Indicator People (Youth)	Annual Units 75	
Local ID	Units Upon Completion	

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

**Table 3**  
**Consolidated Plan Listing of Projects**

**Applicant's Name**    **City of Pasadena – Housing Department**

**Priority Need**  
**Administration/Planning**

**Project Title**  
**Community Development Block Grant (CDBG) Program Administration**

**Project Description**

**This project provides the overall planning, administration, contracting, ensures federal compliance, evaluation, financial controls, monitoring and reporting for approximately 10 non-profit agencies. The Housing Department serves as the administrative entity for the City of Pasadena in compliance with general provisions under the U.S. Department of Housing & Urban Development (HUD).**

**Location**

**Mailing address: City of Pasadena, P.O. Box 7115, Pasadena, CA 91109**  
**Office location: 649 N. Fair Oaks Ave., Suite 202, Pasadena, CA 91103**

Objective Number	Project ID	<b>Funding Sources:</b> CDBG ..... \$415,827 ESG ..... HOME ..... HOPWA ..... Total Formula ..... Prior Year Funds ..... Assisted Housing ..... PHA ..... Other Funding/Local ..... Funds ..... Total ..... \$415,827
HUD Matrix Code 21A	CDBG Citation 24 CFR 570.206	
Type of Recipient Municipal Govt.	CDBG National Objective N/A	
Start Date 07/01/2013	Completion Date 06/30/2014	
Performance Indicator N/A	Annual Units N/A	
Local ID	Units Upon Completion 0	

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

**Table 3**  
**Consolidated Plan Listing of Projects**

**Applicant's Name** City of Pasadena – Housing Department

**Priority Need**  
Economic Development

**Project Title**  
Repayment of Section 108 Loan

**Project Description**

The Fair Oaks/Orange Grove Master Plan was adopted by City Council in 1990. The City obtained a Section 108 Loan in order to acquire land and pay pre-development costs for the construction of a neighborhood shopping center (Renaissance Plaza Shopping Center). As a result, annually, the Section 108 Loan Repayment is made to the U.S. Department of Housing & Urban Development (HUD). The Shopping Center is providing retail/commercial activities and employment opportunities through 12 local business establishments.

**Location**

649 N. Fair Oaks Ave., Pasadena, CA 91103

Objective Number	Project ID	<b>Funding Sources:</b> CDBG ..... \$358,453 ESG ..... HOME ..... HOPWA ..... Total Formula ..... Prior Year Funds ..... Assisted Housing ..... PHA ..... Other Funding ..... Total ..... \$358,453
HUD Matrix Code 19F	CDBG Citation 24 CFR 570.201	
Type of Recipient Municipal Government	CDBG National Objective 24 CFR 570.208(a)(1)	
Start Date 07/01/2013	Completion Date 06/30/2014	
Performance Indicator N/A	Annual Units N/A	
Local ID	Units Upon Completion	

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

**Table 3**  
**Consolidated Plan Listing of Projects**

**Applicant's Name**    **Grid Alternatives**

**Priority Need**  
**Non-Public Service Activity**

**Project Title**  
**Pasadena Solar Affordable Housing Project**

**Project Description**

**This project will install at least four fully functioning solar electric systems for Northwest Pasadena low-income homeowners with an emphasis on Pasadena's elderly and/or disabled, and provide training opportunities for community members, including local job trainees and at-risk adults.**

**Location**

**950 Dovlen Place, Suite B, Pasadena, CA 91101**

Objective Number	Project ID
HUD Matrix Code 14F	CDBG Citation 24 CFR 570.202(a)(1)
Type of Recipient Non-Profit Housing Organization	CDBG National Objective 24 CFR 570.208(a)(2)(i)(B)
Start Date 07/01/2013	Completion Date 06/30/2014
Performance Indicator Housing Units	Annual Units 4
Local ID	Units Upon Completion

**Funding Sources:**

CDBG	\$50,000
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
Total	\$50,000

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

**Table 3**  
**Consolidated Plan Listing of Projects**

**Applicant's Name** City of Pasadena – Planning and Development Department

**Priority Need**  
Housing

**Project Title**  
Maintenance Assistance Services to Homeowners (MASH) Program

**Project Description**

Housing rehabilitation services are provided to low/moderate income eligible homeowners, seniors, disabled head of households, etc., throughout the CDBG Benefit Service Area. Services include exterior house painting, accessibility modifications, minor home repairs, and window/screen replacement.

**Location**

175 N. Garfield Ave., Pasadena, CA 91101 / Site Location: 2783 Eaton Canyon Dr., Pasadena, CA 91107

Objective Number	Project ID
HUD Matrix Code 14A	CDBG Citation 24 CFR 570.202(a)(1)
Type of Recipient Municipal Govt.	CDBG National Objective 24 CFR 570.208(a)(3)
Start Date 07/01/2013	Completion Date 06/30/2014
Performance Indicator Housing Units	Annual Units 140
Local ID	Units Upon Completion

**Funding Sources:**

CDBG	\$575,000
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
Total	\$575,000

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

CITY OF PASADENA  
 EMERGENCY SOLUTIONS GRANT PROGRAM (ESG)  
 FISCAL YEAR 2013-2014

ESG Allocation:                   \$ 127,931  
 ESG Match:                       \$ 127,931  
 Total ESG Budget:               \$ 255,862

PROPOSED PROJECTS	ESG FUNDED AMOUNTS
Door of Hope <i>Case Management for Homeless Families</i>	\$ 22,502
Union Station Homeless Services <i>Family Center Case Management</i>	\$ 19,250
ECPAC <i>Homeless Prevention Services</i>	\$ 19,250
ECPAC <i>Bad Weather Shelter</i>	\$ 19,250
United Way <i>Funders Collaborative Door of Hope Project</i>	\$ 38,500
ESG Administration	\$ 7,388
ESG HMIS Management	\$ 1,791
<b>SUBTOTAL</b>	<b>\$ 127,931</b>

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**Table 3**  
**Consolidated Plan Listing of Projects**

**Applicant's Name**    **City of Pasadena**

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**Priority Need**  
**Homelessness**

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**Project Title**  
**Emergency Solutions Grant (ESG)**

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**Project Description**

ESG funds are available for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and data collection through the Homeless Management Information System or HMIS. Recipients also receive administration funds with a statutory cap of 7.5 percent.

**Case Management (Street Outreach):** The City will provide \$41,752 to cover the costs related to essential services for unsheltered persons (including emergency health or mental health care, engagement, case management, and services for special populations).

**Homelessness Prevention and Rapid Re-Housing:** The City will provide \$57,750 for housing relocation and stabilization services (including rental application fees, security deposits, utility deposits or payments, last month's rent and housing search and placement activities). Funds may also be used for short- or medium-term rental assistance for those who are at-risk of becoming homeless or transitioning to stable housing.

**Emergency Shelter:** The City will use \$19,250 to be used for renovation of emergency shelter facilities and the operation of those facilities, as well as services for the residents (including case management, child care, education, employment assistance and job training, legal, mental health, substance abuse treatment, transportation, and services for special populations)

**HMIS:** The City will use \$1,791 to pay the costs for contributing data to the HMIS designated by the Continuum of Care for the area. Eligible activities include (computer hardware, software, or equipment, technical support, office space, salaries of operators, staff training costs, and participation fees).

**Administration:** The City will use \$7,388 for the overall design and implementation of the Emergency Shelter Grant Program.

Total FY 13 ESG Funding: \$127,931.

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**Location**  
**City-Wide**

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The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs



CITY OF PASADENA

HOME INVESTMENT PARTNERSHIP ACT PROGRAM (HOME)

FISCAL YEAR 2013-2014

HOME Allocation: \$ 552,315  
HOME Program Income: \$ 0  
Anticipated Carry-Over: \$ 0  
Total HOME Budget: \$ 552,315

PROPOSED PROJECTS	HOME FUNDED AMOUNTS
Housing Rehabilitation and/ or New Development Projects	\$ 414,236
CHDO Reserve (15% for housing rehabilitation and new construction projects)	\$ 82,848
Administration (10%)	\$ 55,231
<b>TOTAL</b>	<b>\$ 552,315</b>

**Table 3**  
**Consolidated Plan Listing of Projects**

**Applicant's Name**    **City - Housing Department**

**Priority Need**  
**Housing**

**Project Title**  
**Housing Rehabilitation**

**Project Description**

This program provides deferred loans to qualified homeowners for rehab on their properties. The loan is due and payable when title is transferred, or property is refinanced or sold. The property must be brought up to certain housing standards as part of the rehab assistance. The property must be owner-occupied and may have up to four units. Qualified households must have an annual income at or less that 80% of the area median income. The program expects to assist eight households this program year.

**Location**

**649 N. Fair Oaks Ave., Suite 202, Pasadena, CA 91103**

Objective Number	Project ID
HUD Matrix Code 12	HOME Citation 24 CFR 92.205 a. 1.
Type of Recipient Municipal Govt.	HOME N/A
Start Date 07/01/2013	Completion Date 06/30/2014
Performance Indicator Units	Annual Units 8
Local ID	Units Upon Completion

Funding Sources:	.....
CDBG	.....
ESG	.....
HOME	\$414,236
HOPWA	.....
Total Formula	.....
Prior Year Funds	.....
Assisted Housing	.....
PHA	.....
Other Funding	.....
Total	\$414,236

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

**Table 3  
Consolidated Plan Listing of Projects**

**Applicant's Name**    **City - Housing Department**

**Priority Need**  
**Housing**

**Project Title**  
**CHDO Reserve**

**Project Description**

The City must commit 15% of each FY allocation for CHDO projects. CHDO projects consist of acquisition, construction, and rehabilitation of residential properties.

**Location**

**649 N. Fair Oaks Ave., Suite 202, Pasadena, CA 91103**

Objective Number	Project ID
HUD Matrix Code 12	HOME Citation 24 CFR 92.300
Type of Recipient Municipal Govt.	HOME N/A
Start Date 07/01/2013	Completion Date 06/30/2014
Performance Indicator Units	Annual Units 1
Local ID	Units Upon Completion

Funding Sources:

CDBG	.....
ESG	.....
HOME	\$82,848
HOPWA	.....
Total Formula	.....
Prior Year Funds	.....
Assisted Housing	.....
PHA	.....
Other Funding	.....
Total	\$82,848

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

649 N. Fair Oaks Ave., Suite 202, Pasadena, CA 91103

**Table 3  
Consolidated Plan Listing of Projects**

**Applicant's Name**    City – Housing Department

**Priority Need**  
Housing

**Project Title**

**Home Investment Partnerships Act (HOME) Program Administration**

**Project Description**

This project provides the overall planning, administration and contracting functions, ensuring federal compliance, evaluation, financial controls, monitoring and reporting for the program. The Housing Department serves as the administrative entity for the City of Pasadena in compliance with general provisions under the U.S. Department of Housing & Urban Development (HUD).

**Location**

**Mailing address:** City of Pasadena, P.O. Box 7115, Pasadena, CA 91109

**Office location:** 649 N. Fair Oaks Ave., Suite 202, Pasadena, CA 91103

Objective Number	Project ID
HUD Matrix Code N/A	HOME Citation 24 CFR 92.207
Type of Recipient Municipal Gov't	HOME National Objective N/A
Start Date 07/01/2013	Completion Date 06/30/2014
Performance Indicator Organizations	Annual Units N/A
Local ID	Units Upon Completion

**Funding Sources:**

CDBG	.....
ESG	.....
HOME	\$55,231
HOPWA	.....
Total Formula	.....
Prior Year Funds	.....
Assisted Housing	.....
PHA	.....
Other Funding	.....
Total	\$55,231

The primary purpose of the project is to help:  the Homeless  Persons with HIV/AIDS  Persons with Disabilities  Public Housing Needs

**Geographic Distribution &  
BSA Map**

## **GEOGRAPHIC DISTRIBUTION**

The City will use 100% of its CDBG, HOME and ESG in eligible target areas and to assist low to moderate income individuals.

The only exception to this policy is to those activities which are limited to CDBG eligible Census Tracts and Block Groups. These activities are considered area benefit activities, which meet the identified needs of low income persons residing in an area where at least 51% of the residents are low income persons. The benefits of the activity are available to everyone in that area regardless of their income. A map of the CDBG eligible Census Tracts and Block Groups is included in the Action Plan. The City uses most of its CDBG resources to operate programs available exclusively to low income people (whereas HUD regulations require a minimum of 70% low/mod benefit for CDBG activities).

The following is a list of the eligible Census Tracts and Block Groups where CDBG resources will be distributed:

CT 4609.00 BGs 1, 2, 3, 5	CT 4615.00 BGs 3, 5, 6
CT 4616.00 BGs 1, 2, 3	CT 4619.00 BGs 1, 2, 4, 5
CT 4620.00 BGs 1, 2, 3, 4	CT 4621.00 BGs 1, 2
CT 4622.00 BGs 1, 3, 4	CT 4623.00 BGs 2, 3, 4
CT 4629.00 BGs 2	CT 4632.00 BGs 3
CT 4636.00 BGs 5	CT 4637.00 BGs 1

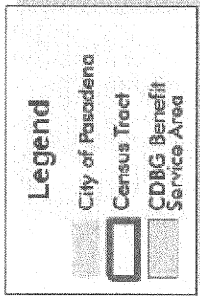
The City's housing programs are marketed and available throughout the City. The program is not directed to any one geographical area but rather to extremely low and low income households (0 to 80% of the area median income). The City wants to promote a balanced and integrated community and is committed to providing assistance throughout the City.

Emergency Shelter facilities and services for the homeless will continue to be provided from currently operating emergency shelters. These shelters are located in various areas of the City - the Northwest, West Central, Southwest regions of the City, including the City's seasonal Bad Weather Shelter (BWS).

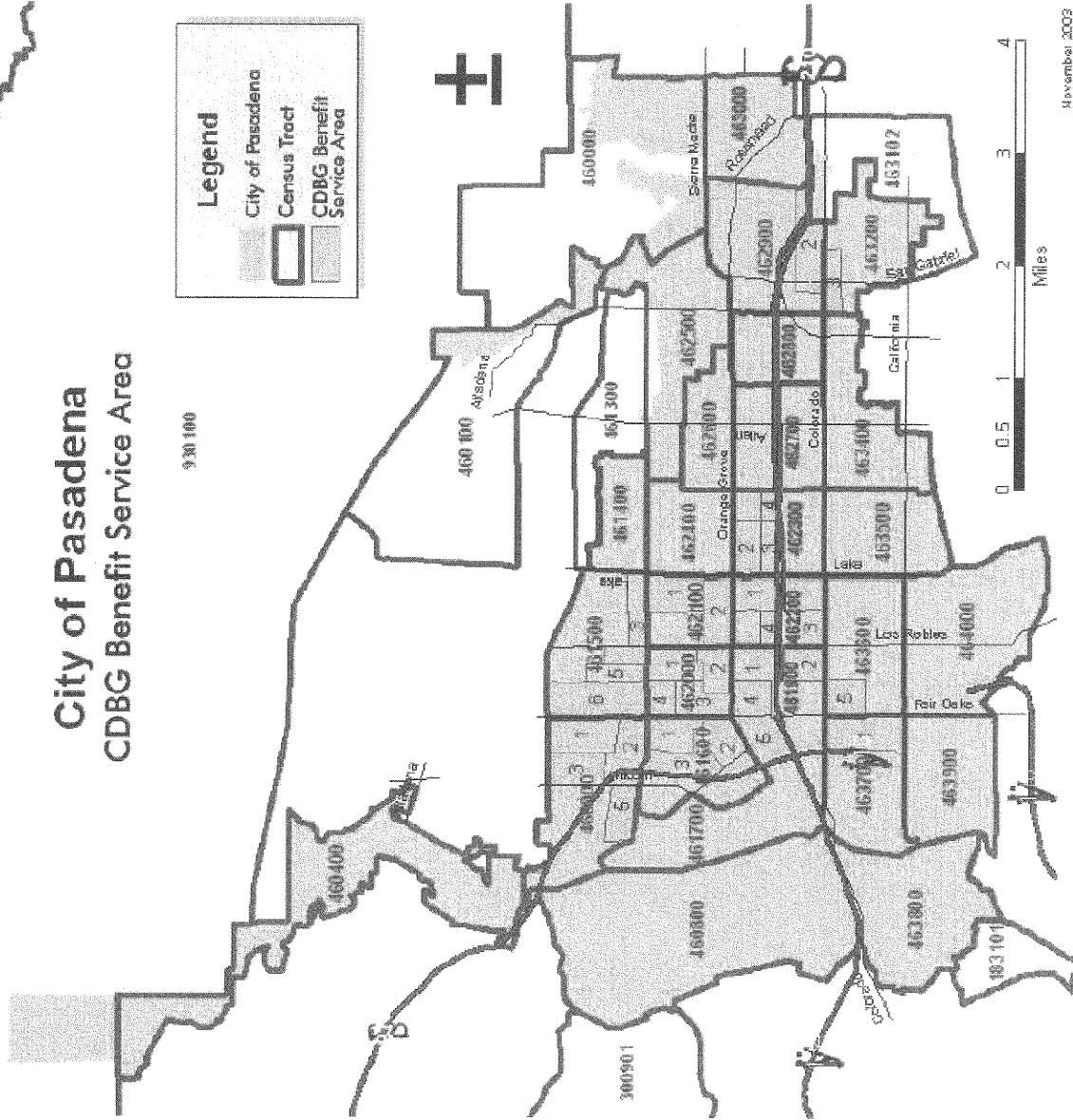
Housing Rehabilitation efforts will be targeted to those areas with the highest concentration of substandard units. Within these targeted areas are low and moderate-income households. Housing rehabilitation activities will include services provided by the City administered Maintenance Assistance Services to Homeowners (MASH) Program and the Code Enforcement Task Force (inspections) as well as the continued efforts of other local non-profit organizations.

With regard to new construction, it is the City's goal to disperse affordable housing projects throughout the City. Due to existing economic constraints and feasibility considerations the majority of newly constructed units will be developed in those areas where the acquisition and development of available land is least expensive.

# City of Pasadena CDBG Benefit Service Area



930 100



November 2003





## Homeless and Other Special Populations

### Homeless Populations

Activities to address emergency shelter and transitional housing needs of homeless individuals and families are included in the list of proposed projects (HUD Table 3). Specifically, programs funded with Emergency Solutions Program (ESG) funds include: Case Management for Homeless Families, Family Center Case Management, Homeless Prevention Services, Rapid Re-housing, Administration and HMIS management. Services are provided to homeless persons, individuals and families which include the provision of emergency vouchers and rental start-up deposit funds, job development and preparation services; counseling services for homeless mentally ill; and a food/clothing assistance and distribution program.

In addition, the City of Pasadena partners with the Pasadena Housing and Homeless Network, a coalition of public and private community-based organizations, to pursue resources from HUD under the Continuum of Care Homeless Assistance Program to implement its continuum of care system and "10-Year Strategy to End Homelessness." As a result, funding through the City's past Continuum of Care applications to HUD has resulted in several projects that address the needs of the homeless population including the chronic homeless. These projects include:

- **Community Housing Options at Independent Supported Sites Program (CHOISS) - Families** is permanent supportive housing for individuals or families infected with HIV/AIDS;
- **Transitional Housing Project** is a 20-bed program that provides multiple case management services for men who are chronically mentally ill, substance abusers, or dually diagnosed;
- **Euclid Villa** is a 14-unit transitional housing program for families that provides case management services that include job preparation and placement, money management training, substance abuse recovery assistance, child care assistance, mental health services, parenting skills, after-school tutoring, and assistance in obtaining permanent housing;
- **Casa Maria** is a 14-unit transitional housing program for single women who are chronic substance abusers. Clients receive case management, job preparation and placement, money management training, substance abuse recovery assistance, mental health services, parenting skills, after-school tutoring, assistance in obtaining permanent housing;
- **Passageways** serves as the City's entry point into the Continuum of Care. Case managers develop individualized case management plans with clients with short- and long-term objectives in order to obtain permanent housing. Case management services include health care, mental health care, street outreach services, and substance abuse services;

- **Navarro House** is a permanent supportive housing program for persons in substance abuse recovery. Case management services are provided on and off site that help residents maintain their housing;
- **Hestia House** provides 8 units of permanent supportive housing for chronically homeless transitional age youth.
- **Homeless Management Information System** is a networked computerized record-keeping system that enables the City of Pasadena and homeless service providers to collectively perform a number of activities that include: 1) decreasing duplicative intakes and assessments; 2) streamlining referrals; 3) coordinating case management; 4) tracking client outcomes; 5) and preparing financial and programmatic reports for public and private funders.
- **Shelter Plus Care** provides 68 units of rental assistance with supportive services for individuals including the chronically homeless and families. The target populations served include the mentally ill, substance abusers and persons with HIV/ AIDS.

#### Other Special Populations

The City of Pasadena supports projects that address the needs of persons who are not homeless but require supportive services. These projects are not necessarily funding with CDBG, ESG or HOME dollars. Such projects include:

- **The Pasadena Senior Center** is dedicated to help seniors live meaningful lives of dignity, enjoyment and useful purpose. The Center improves and enriches lives of seniors with opportunities to be independent, celebrate life and reach their fullest potential by providing education, social events, sports, recreation and volunteer opportunities; basic support services, including: information, housing, caregivers, employment and counseling; retirement education and advocacy training through its Project Reach Out program;
- **AIDS Service Center** provides services and advocacy for individuals and families impacted by, and at risk for, HIV/AIDS. Services include Individualized healthcare programs; housing assistance; transportation; food; child care; counseling; legal help; and education;
- **Villa Esperanza Services** provides specialists in serving children with special educational needs including autism, Down Syndrome, cerebral palsy, intellectual disabilities, seizure disorders, and other learning handicapping conditions. Services for adults include a variety of vocational programs, an adult day activity program, adult day health care, care management, a residential program and an independent living skills program and services for seniors include a day program which provides medical, therapeutic and social services to adults, 18 and older, and the frail elderly who are living with physical, mental or developmental challenges.



## **1. Removal of Barriers to Affordable Housing**

HUD requires the City to (jurisdiction) to explain whether the cost of housing or the incentives to develop, maintain, or improve affordable housing are affected by public policies, particularly those of the local jurisdiction. In addition, HUD requires the jurisdiction to identify the strategy to remove or ameliorate negative effects of public policies that serve as barriers to affordable housing. Such public policies and strategies to remove or ameliorate negative effects of public policies include:

### **A. Land Use Policies**

The City permits a wide range of conventional single- and multi-family housing in Pasadena. The City's policies for citing residential uses have been successful in facilitating and encouraging a broad range of special housing, including emergency shelters, transitional housing, residential care facilities, alcohol and drug rehabilitation homes, senior and assisted living housing. Pasadena's proactive policies have helped facilitate the citing of more than 150 such facilities distributed throughout the community. Moreover, in 1997, the City also adopted a series of code amendments to improve housing opportunity in Pasadena. However, a review of the Zoning Code revealed several additional items which need to be refined to improve clarity.

#### **Actions:**

The City will:

- Eliminate the occupancy restriction of 10 persons for emergency shelters in commercial and industrial zones as approved by the Planning Commission after adoption of the 2008-2014 Housing Element;
- Review the Zoning Code to ensure that the "Residential Care" use classification includes all types of group homes permitted under State law.

### **B. Development Standards**

Residential development standards in the Zoning Code are flexible enough to encourage and facilitate a range in types and prices of housing for all economic and social segments of Pasadena's population. Moreover, the City provides numerous incentives to facilitate the development of affordable and special needs housing through density bonuses, fee waivers, waivers of development standards, direct financial assistance and loans, and land write downs. Through a combination of regulatory and financial incentives, the City has been particularly successful in facilitating and encouraging a wide-range of housing types and prices in the community.

In the 1980s, the City enacted standards to ensure that high-density apartments and condominiums incorporate landscaped common open space rather than bulky mass designs. These standards have been successful in improving the livability of apartments and contributing to the high quality of life for Pasadena residents today. Although the Zoning Code allows for the waiver or modification of development

standards to facilitate density bonus projects, concern has been expressed that it may be difficult to achieve maximum permitted density under the City of Gardens standards.

### **C. Rental Assistance**

The PCDC will continue to administer its programs in a manner that reflects its commitment to building better lives and better neighborhoods while maintaining program integrity and compliance with all applicable Federal, State and local housing regulations.

During FY 2005, 2006 and 2007 the SEMAP scores had rated PCDC a High Performer. In FY 2008 our SEMAP score was rated a Standard Performer. During this time the City open its Section 8 Tenant Based Rental Assistance's Waiting List (January 28, 2008 through May 2, 2008). The results of the Waiting list demonstrate that PCDC continues to strive to improve its SEMAP score in all arrears. The SEMAP did improve and the PCDC's scores for FY 2009 and 2010 was a High Performer.

The PCDC sets the payment standard at a level that is high enough to ensure that families are able to afford quality housing while also balancing the need to provide assistance as many families as possible. PCDC's payment standards have reflected annual increases in HUD's Fair Market Rent.

The PCDC will continue to provide information regarding housing opportunities through our printed listing and as well as at community outreaches. The briefing packet for the Section 8 participants are updated monthly, to include the most up to date federal, state and local information on fair housing and equal opportunity.

*Utilizing the Project Based Assistance (PBA) program to induce property owners to participate and make rental housing available to low income families (Section 8 Housing Choice Voucher Program participants). Through PBA, PCDC shall encourage the creation of new affordable housing units and maintain the continued affordability of existing units. Currently, we have 102 PBA units leased.*

#### **Actions:**

The City will:

- Continue to educate and enlist additional landlords to accept Section 8 vouchers;
- Continue to apply to HUD for new vouchers;
- Continue to educate Rental Assistance program participants on how to effectively compete for housing.
- Continue to promote a 98% Section 8 lease-up rate by utilizing an appropriate payment standard that enables families to rent units throughout the city.
- Continue to support the preservation of existing affordable rental housing units.

## **D. Distribution of Community Services**

Pasadena's General Plan sets forth various policies to ensure that each neighborhood receives an equitable level of services. This includes: 1) promoting the location of public and private community service facilities, and public and private recreation facilities throughout the community as a function of population distribution and need; and 2) promoting the accessible location of public and private community services facilities. Moreover, the reconfiguration of the City's transit system has also helped residents to access employment centers and health facilities located outside their immediate neighborhood.

In analyzing the distribution of community services and facilities, Northwest and Southeast Pasadena have one-half the park acreage per capita as other parts of Pasadena. This is particularly problematic for Northwest Pasadena, given the high percentage of families with children living in that area. To increase park space, the City may consider the following:

### **Actions:**

The City will:

- Continue to examine various sites in Pasadena for the potential location and development of neighborhood and community parks;
- Continue to analyze ways to use public transit, such as extending routes, to allow residents of Northwest Pasadena to access other park facilities.

## **E. Transit Accessibility**

Overall, the City's transportation system supplements services provided by MTA and addresses overall goals of the General Plan, such as linking residents to community services, human service providers, park and recreational facilities. During the past year, the addition of two routes specifically for Northwest residents has improved access to local employment centers and helped integrate Northwest Pasadena into other segments of the community. Comments received by the public have been generally favorable. Pasadena's proposed transit services will eventually improve mobility for residents when funding is available.

During the public input process, the Needs Assessment results noted that seniors and disabled persons who are transit-dependent have limited opportunities to participate in late evening meetings of the City Council and Planning Commission. Most buses run only once an hour after 9:00 pm and service stops on many routes after 11:00 pm. The Area Rapid Transit System (ARTS) bus and Dial-A-Ride stops service at about 8:00 pm. Even if night meetings do not run later than service is provided, the Dial-A-Ride and Access system are overburdened and may be unavailable. To address these issues, the Committee recommended the following:

### **Actions:**

The City will:

- Continue to seek funding alternatives for expanding the ARTS system;
- Examine transit alternatives after late night meetings;
- Continue to examine ways to increase the capacity of Access and Dial-a-Ride.

## **F. Housing Conditions**

Pasadena has an older housing stock; more than two-thirds of its housing is older than 30 years and one-half of its housing is older than 50 years. 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.

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.

### **Action:**

The City will:

- Implement goals in the 2008-2014 Housing Element

## **G. Housing Accessibility**

Persons with disabilities have particular difficulties finding affordable housing. For instance, to secure an apartment, persons with disabilities must typically have family members search for housing which meets building accessibility standards, are in proximity to transit alternatives, and are safe and affordable. Even professional rental search agencies/services rarely provide information to a prospective renter on whether a unit is accessible or not. As a result, finding an accessible apartment can be a daunting task for a person with disabilities.

An additional problem or challenge to locating accessible housing is the general lack of accessible units in the housing market today. Pasadena is an older and mature community with the majority of its housing stock built well before federal accessibility (ADA) requirements were in place. Thus, a large portion of the multi-family housing stock is less accessible to persons with disabilities.

### **Actions:**

The City will:

- Utilize the Pasadena Housing Search to identify rental units for persons with disabilities and access issues.
- Distribute fliers to apartment owners during the quadrennial inspection explaining disability laws, the benefits of long-term tenancy offered to

persons with disabilities, and the relative low cost of accessibility modifications;

- Develop marketing brochures that explain the benefits of including accessibility and universal design features.



## **2. Coordination Between Public/Private Sectors and Social Agencies**

The Housing Department is organized to administer and implement a variety of housing and community development programs that assist the extremely low, low and moderate-income community. Major organizational areas of the Housing Department include the Rental Assistance Program - Housing Choice Voucher Program (formerly known as the Section 8 Rental Assistance Program); Community Development Section - Community Development Block Grant (CDBG) and the Emergency Shelter Grant (ESG) Programs; Affordable Housing Production section - Inclusionary Housing, Housing Production, HOME Program, Residential Rehab, First-Time Homebuyers Program, etc., and the Homeless Assistance and Supportive Housing Section - Continuum of Care, Supportive Housing Program (SHP), Shelter Plus Care, etc. The Housing Department has fiscal and program oversight of these projects/programs and includes the responsibility to monitor for compliance issues for these various projects/programs.

All organizational units of the City are encouraged to participate and to share resources to meet the ultimate goal of creating and maintaining decent, safe, and sanitary housing for all residents.

The Pasadena Community Development Commission ("Commission") is the governing body of the redevelopment agency established by the Pasadena Board of Directors, now the City Council, in April 1981. The Commission oversees and acts on matters pertaining to redevelopment and housing within the seven redevelopment project areas in the City. As part of this action creating the Commission, the Community Development Committee (CDC) was also established. This is a seven (7) member advisory body made up of local citizens. The CDC is responsible for the review of project area activities that implement economic development and housing projects. The CDC oversees the assembly and sale of land to developers, loans, and other financing to support commercial and residential projects, execution of development agreements and design review of projects to assure compliance with guidelines and standards in the respective redevelopment plans.

The City/Commission partners with local businesses, non-profit agencies, etc., from time to time. The Pasadena Board of Realtors sponsors the Community Homebuyers Program and Mortgage Credit Certificate (MCC) financing opportunities for low and moderate-income homebuyers. The coordination and formation of these partnerships are very important to the community because in many cases these homebuyers would not otherwise qualify for a home loan under conventional lending guidelines.

The City/Commission continues to partner with a variety of financial institutions and local lenders as well as a variety of local non-profit organizations to assist in the provision of housing and community development activities and the provision of social services.

### **3. Public Housing Residential Initiatives**

The City of Pasadena does not own or maintain any public housing inventory; activities to encourage public housing residents to become more involved in management or to participate in homeownership opportunities is not applicable in this particular circumstance.

However, to the greatest extent possible, program participants of the Housing Choice Voucher Program (Section 8 Rental Assistance Program) are encouraged to become independent and self-sufficient. The City currently has an active Family Self-Sufficiency (FSS) Program. FSS helps tenants achieve an independent living standard.

The City of Pasadena has an Affordable Housing (Housing Production) unit as part of Housing and Community Development. The City encourages all local residents to inquire and to participate in various affordable housing programs/activities: First-Time Homebuyers Programs/classes, Inclusionary Housing, Housing Choice Voucher Program, HOME Tenant-Based Rental Assistance (TBRA) Program, etc.

## 4. Housing Initiatives

The Pasadena Community Development Commission (PCDC) believes new housing initiatives are necessary to meet this growing affordable housing need. To alleviate the housing burden, the PCDC has identified initiatives that will expand the rental housing choice:

These initiatives are:

1. New construction of rental housing developments, especially family and senior housing, for low and very low income households citywide.
2. Provision of below market interest rate subsidy rehabilitation program for owner occupant low income borrowers.
3. Annual rental covenant compliance monitoring to ensure owners of agency assisted units comply with their requirements to provide affordable housing to lower income households that meet specified occupancy, income and rent guidelines.
4. Implementation of Continuum of Care strategy which includes outreach, intake, assessment, coordination, and collaboration with providers of emergency shelters, transitional housing with supportive services, permanent service-enriched housing and permanent housing for addressing homeless and at-risk to homeless populations.
5. Leverage additional financial resources for the provision of affordable lower income housing.
6. Update and implement Impediments to Fair Housing Choice.
7. Implementation of the first source employment agreements with City and agency sponsored housing developments.
8. Encourage the use of universal design standards and/or condition City and agency assisted housing developments to meet accessibility and adaptability requirements.
9. Implementation of the Inclusionary Housing Ordinance that requires 15% of the total units in a new housing development of ten or more units be affordable to low and moderate income households.
10. Implementation provision of density bonus and city fee waivers to encourage the development of affordable low income housing units.
11. The Housing Mediation Program that provides the opportunity for local residents (tenants, owners, managers) to resolve rental issues in an objective and constructive manner. These services are provided by the City, Housing/Community Development, through a contract with the Housing Rights Center (HRC).
12. Implementation of Project-Based Rental Assistance Program has been approved by HUD, and the PCDC began in March 2003.

### Incentives and Strategies:

To enhance and increase the local property owners' participation in the Housing Choice Voucher program (Section 8 Program) and to improve the lease-up rate, PCDC has identified the following strategies and incentives:

- 1) **Outreach** - PCDC will continue to outreach to owners, with special attention devoted to those units outside areas of poverty or minority concentration. The City Prosecutor's Office, Pasadena Police Department, and the City's Neighborhood Connections office in conjunction with PCDC shall also continue to conduct annual Landlord Training Workshops for local property owners. PCDC shall maintain direct contact with owners and arrange meetings (one-on-one) with participating/new owners and management companies.
- 2) **Newsletter** - PCDC shall continue to publish House Notes, the rental assistance program newsletter, aimed at advising and educating participating property owners and other owners by keeping them apprised of any new program initiatives or changes/issues. Additionally, positive stories about the Section 8 Program and participating families or owners have been a very effective means of recruiting new owners.
- 3) **Resident Advisory Board (RAB)** - Continued participation by the RAB to allow program participants to be actively involved in the planning, programming and implementation of PCDC rental housing activities. The RAB will ensure that appropriate actions are taken by the PCDC to address the needs of program participants in their efforts to lease properties in the City.
- 4) **Project- Based Assistance (PBA)** - HUD has approved a request to use PBA in the City of Pasadena. PCDC may choose to provide Section 8 project-based assistance using funds provided to the PCDC for its Section 8 Tenant-Based Assistance Program. The purpose of the PBA program is to induce property owners to participate and make rental housing available to low income families (Section 8 Housing Choice Voucher Program participants). Through PBA, the PCDC desires to encourage the creation of newly affordable housing units and maintain the continued affordability of existing units.
- 5) **Housing Rights Center (HRC)** - The HRC is the merged organization of two former non-profit agencies - the Westside Fair Housing Council and the Fair Housing Council of San Gabriel Valley. The Councils merged in April of 2002 to increase their services and programs. Free housing mediation services are available to foster early solutions to problems along with free phone consultations regarding Fair Housing issues. The Center supports and promotes freedom of residence through education. HRC provides assistance with basic questions about landlord and tenant rights and responsibilities. The HRC counselors provide clients with comprehensive information they can use to resolve those problems.

### Strategy for Addressing Needs

Housing Vision

It is the position of the City of Pasadena/Pasadena Community Development Commission that 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.

The City/PCDC shall achieve this vision by utilizing its resources to:

- Support and provide for fair and equal housing opportunities for all persons regardless of race, age, income, disability, sexual orientation, marital status, household size, ancestry, national origin, religion, or color.
- Provision of an adequate supply and range of housing opportunities throughout the City by assisting in the development of new housing, preservation of existing housing, and being responsible to the special housing needs of certain resident populations.
- Reduction or mitigation of governmental constraints which hinder the production, preservation, maintenance and improvement of housing, particularly affordable housing, for Pasadena residents.
- Ensure that Pasadena residents, especially those with extremely low to moderate incomes and special needs, are assisted in meeting their housing needs through the provision of assistance for rental, residential rehabilitation, homeownership, housing counseling, (and other housing support services).
- Conservation and improvement of the condition of the existing affordable housing stock, which may include ways to mitigate the loss of dwelling units.
- Preservation of the existing assisted housing for lower income households.

## 5. Meeting Underserved Needs

The City of Pasadena will undertake over 30 projects during the 2012-2013 Program Year (PY) to address priority needs in terms of local objectives that are identified in the Five-Year Consolidated Plan (2010 - 2015). The information is presented in the form of tables prescribed by the U. S. Department of Housing and Urban Development (HUD) and includes a description of each activity, the estimated number and type of families that will benefit from the proposed projects (beneficiaries), the specific local objectives that will be addressed by the projects using formula grant funds, and a target date for completion of the project. The tables also include projects to be undertaken to address homeless and other special needs populations.

Goals and objectives for the five-year period covered by the strategic plan include the following:

### Housing Goals

#### 1. To improve and expand affordable housing options.

##### **Objectives:**

- **Owner occupied housing:** Improve the quality of existing owner-occupied housing stock to support community and neighborhood stability relative to neighborhood revitalization efforts (i.e. Housing made accessible, brought up to code, made safer or more energy efficient).
- **Housing for buyers:** Increase homeownership opportunities for low/moderate income residents through the construction of affordable homes, rehabilitation efforts or down payment assistance.
- **Rental housing:** Expand the number of affordable rental units and improve the quality of rental units available to low/moderate income individuals throughout the Pasadena community (i.e. renovation for accessibility and code issues).

### Homeless and Special Populations Goals

#### 1. To improve services to the homeless and special populations:

##### **Objectives:**

- **Homeless:** provide homeless prevention and intervention services including housing and supportive services (i.e. job training, childcare and access to services).
- **Special Populations:** Improve the availability of support services to special populations.

## **Community Development Goals**

### **1. Expand opportunities for small business activities that generate new employment opportunities and assist with the development of micro-enterprises.**

#### **Objectives:**

- Create opportunities for business retention, expansion and education activities that limit adverse community impacts and generate new employment opportunities for low/ moderate income residents.
- Support capital improvement activities for economic development programs support financial assistance for small business development

### **2. Increase access to resources for low/ moderate income residents and community groups.**

#### **Public Facility Objectives:**

- Support renovation of neighborhood facilities including schools that provide educational support, cultural enrichment, and community activities.
- Support renovation of parks and recreation facilities that provide academics, sports and recreation, and other community activities.
- Support renovation for health facilities that provide greater access to quality health to very low-, low-, and moderate-income households.

#### **Public Service Objectives:**

- Support education programs that provide academic and family enrichment services.
- Support employment and training which includes job placement/ retention services, referral services, and other supportive services.
- Support career development programs that provide job preparation services to homeless and very low income individuals including youth and young adults ages 14-21 for entry or re-entry into the workforce.
- Support food and nutrition programs that promote access to affordable, nutritious food and nutrition education.
- Support healthcare services that provide health assessments, medical, dental and mental health treatment, and education to families.

#### **Anti-Crime Objectives:**

- Support community violence and safety initiatives that provide violence and gang prevention/ intervention activities that will result in a safer community.

#### **Youth Program Objectives:**

- Support youth programs that provide mentorship programs, recreational activities, educational opportunities, enrichment opportunities, youth participation in government, and other supportive services for low/ moderate income youth and young adults.

- Support child care programs that provide services to low/ moderate income households.

**Planning and Administration Objectives:**

- Support activities that include fair housing, housing, neighborhood revitalization, and economic development.
- Develop, guide and manage activities, including fair housing services, that have both a long and short term impact on the community while meeting National and local objectives.



## **6. Surplus Funds from Urban Renewal**

The City of Pasadena does not have any surplus funding from urban renewal.

## **7. Grant Funds Returned to the Line of Credit**

The City of Pasadena does not have any grant funds to be returned to the Line of Credit (LOC).

## **8. Float-Funded Activities**

The City of Pasadena has not undertaken any Float-Funded activities using the Community Development Block Grant (CDBG) Program funds.

## **9. Monitoring Standards**

The City of Pasadena's Housing Department will ensure that all activities carried out will comply with the requirements of the CDBG, HOME, ESG and other funding sources as required to achieve their performance objectives, on schedule, and within the allotted budget.

Once an agency is allocated funding from the City of Pasadena, the projects are formalized through a sub-recipient agreement. This sub-recipient agreement outlines all of the requirements, regulations, procedures and accomplishments. The sub-recipient will submit monthly invoicing and programmatic reports to demonstrate progress toward their outcomes. Reports will be reviewed for compliance with the sub-recipient agreement. Expenditure of funds will be reviewed on an ongoing basis to ensure compliance with all program regulations.

Individual meetings will occur with the agency as needed to respond to questions and assess project progress. Depending on the complexity of the project and the funding requirements, the City may provide an orientation training and technical assistance to help assure timely and successful completion of the project.

City staff performs monthly desk reviews along with one onsite programmatic monitoring visit and one onsite financial monitoring for each sub-recipient.

### **Financial Standards and Procedures:**

The Housing Department Staff and the City's Grants Accounting Division of the City's Finance Department work closely to ensure that funds drawn through IDIS are used for authorized activities on approved projects. Activity agreements, expense documentation and approvals must be in place before funds may be reimbursed. The Grants Accounting Division conducts onsite financial audits of each sub-recipient to ensure compliance with HUD requirements.

### **Programmatic Standards and Procedures:**

The Housing Department Staff continuously monitors program results through the monitoring process. Progress towards the sub-recipients defined goals are reviewed on a quarterly basis after receiving reports from the sub-recipients. All sub-recipients are monitored onsite on an annual basis. The onsite visit includes a review of income and expense documentation, beneficiary information, programming, purchasing and all other special requirements as described in the sub-recipient agreement. Sub-recipients are trained annually, during an orientation meeting, on reporting requirements and documentation needs. City staff provides technical assistance to sub-recipients on an ongoing basis.

### **Environmental Standards and Procedures:**

All projects and individual activities requiring environmental reviews per HUD regulations are completed before the execution of the sub-recipient agreements. Housing Department staff, with the assistance of other departments and outside agencies, completed the Environmental Review Record.

### **Labor Standards and Procedures:**

Labor standards are monitored by the City's Housing and Public Works staff and outside consultants. Labor requirements are included in all of the bid documents and reviewed again during the pro-construction meeting.

### **Problems with Sub-Recipient Performance**

There are three increasingly serious stages that will be utilized as the basis for addressing sub-recipient problem areas.

#### **Stage 1 - Early Intervention:**

- A strategy will be developed with the sub-recipient that includes additional training or technical assistance;
- Sub-recipient will be required to provide more frequent and/or more thorough reporting;
- City will conduct more frequent monitoring reviews of the sub-recipient.

#### **Stage 2 - Penalties for More Serious or Persistent Problems:**

- City will restrict the sub-recipient's payment request;
- City will disallow sub-recipient expenses (or require repayment);
- City will impose probationary status.

#### **Stage 3 - Sanctions:**

- Temporarily suspend the sub-recipient;
- Do not renew the sub-recipient the next program year;
- Terminate the sub-recipient's activity for the current program year;
- Initiate legal action.

## **10. Local Market Conditions**

Due to the local market conditions of the current housing market, the City provides Tenant Based Rental Assistance (TBRA) using its Home Investment Partnership Program - HOME funds.

The use of HOME funds for Tenant-Based Rental Assistance is an essential element used by the City as a participating jurisdiction (PJ) for expanding and increasing the supply, affordability, and availability of decent, safe, sanitary and affordable housing.

The City of Pasadena allocated HOME funds to tenant-based rental assistance because Pasadena is a built-out city with relatively high development costs. Tenant-based rental assistance is a good option for preserving rental units as affordable in this situation, as it allows our jurisdiction to house 30 tenants for the same approximate cost as developing 2 affordable units.

## **11. Evaluate and Reduce Lead-Based Paint Hazards**

Since 1992 the City of Pasadena Public Health Department has worked to identify local children with elevated blood lead levels. The Health Department implements a lead-based paint (LBP) hazard program for the City's assisted housing units. The program has four (4) components: 1) community education and awareness; 2) blood screening for young children under the age of six years; 3) housing and environmental inspections; and 4) referrals for services. Since the inception of the LBP hazard program, the 5-year average for cases of lead-poisoning has steadily declined by about 80%.

The Health Department is furthering their lead-based paint prevention efforts. California legislation (SB460) now requires all human blood lead tests to be reported to the state health department and results are forwarded to the local Childhood Lead Poisoning Prevention Programs (CLPPPs). The Environmental Health Division of the Pasadena Public Health Department takes responsibility for enforcement of the City's Childhood Lead Hazard Reduction Ordinance; Pasadena Municipal Code (PMC) Chapter 8.79.010-070; 1995, which makes it unlawful to maintain a lead hazard in the presence of a vulnerable child and permits enforcement activities to eliminate the lead hazards.

Also, Senate Bill 469 which took effect January 1, 2003 has declared lead hazards in any residential building a violation of State Housing Law. The CLPPP is working with Housing/Community Development and the appropriate division/sections of the Planning and Development Department to develop a comprehensive program of enhanced identification and enforcement. Code compliance officers and inspectors will continue to receive training in hazard identification. Enforcement will continue to be done by registered Environmental Health Specialists certified as Lead Inspectors. The City's MASH Program has staff who are lead certified and who work on lead abatement/stabilization of housing units in the CDBG Benefit Service Area.

## **12. Develop Institutional Structure**

The City of Pasadena, Housing Department is the lead agency for implementing the City's Five Year Consolidated Plan/Annual Action Plan. The Housing Department will continue to meet with public and private entities noted in the Plan that includes committees, coalitions, non-profit agencies, neighborhood associations, and business associations/groups. The Housing Department co-chairs the Pasadena Housing and Homeless Network and serves on each of the Network's sub-committees, provides information, technical assistance and presents agenda reports to the Human Services and Northwest Commissions as appropriate on an ongoing basis.

The Housing Department functions as the lead agency in assessing the strengths and gaps in the City's housing and homeless programs. Staff is responsible for the implementation of the Community Development Block Grant (CDBG), the HOME Investment Partnership Act (HOME), Emergency Shelter Grant (ESG) Program, Housing Opportunities for Persons with AIDS (HOPWA), Housing Choice Voucher Program (HCVP) and other community development activities/programs. The Housing Department will implement the City of Pasadena 10-Year Strategy to End Homelessness and over the past several years has received outstanding recognition and awards for carrying out the federally recognized Continuum of Care (C o C), the systematic delivery of related services to the homeless community.

Each of the above programs includes goals/objectives, performance measures, and expected outcomes that are monitored for City/Federal compliance. The Housing Department provides periodic scheduled project performance assessments to the sub-recipients, advisory bodies (Commissions/Committees) City Council, etc. Annually as a federal requirement, the Consolidated Annual Performance and Evaluation Report (CAPER) is submitted to HUD. The CAPER provides an opportunity for the City as grantee to report on goals and objectives as well as an opportunity for the City to evaluate itself in terms of performance issues.

## **13. Foster and Maintain Affordable Housing**

### **HOUSING 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.

The City of Pasadena will foster and maintain affordable housing by utilizing its resources to:

- Support and provide for fair and equal housing opportunities for all persons regardless of race, age, income, disability, sexual orientation, marital status, household size, ancestry, national origin, religion, or color.
- Provision of an adequate supply and range of housing opportunities throughout the City by assisting in the development of new housing, preservation of existing housing, and being responsive to the special needs of certain resident populations.
- Reduction or mitigation of governmental constraints which hinder the production, preservation, maintenance and improvement of housing, particularly affordable housing, for Pasadena residents.
- Ensure that Pasadena residents, especially those with extremely low to moderate incomes and special needs, are assisted in meeting their housing needs through the provision of assistance for rental, residential rehabilitation, homeownership, housing counseling, (and other housing related supportive services).
- Conversion and improvement of the condition of the existing affordable housing stock, which may include ways to mitigate the loss of dwelling units.
- Preservation of the existing assisted housing stock for lower income households.

## **14. Antipoverty Strategy**

The City's goal is to reduce the number of households with incomes below the poverty level. In order to achieve this goal, the City will implement several innovative programs and services to assist families impacted by the constraints of poverty. These efforts include the coordination with other public/private entities to provide a comprehensive approach to reduce the number of families living in poverty. The key components to this anti-poverty strategy consist of: personal/individual development, employment training/placement, counseling and other supportive services including rental housing assistance.

The City of Pasadena will seek to work in partnership with the County of Los Angeles Department of Public Social Services (DPSS) and Employment Development Department (EDD), Foothill Workforce Investment Board, Pasadena City College and other service providers to effectively implement its anti-poverty strategy. The following programs provide the most readily available array of services to facilitate the transition of individuals and families out of poverty. It is the City's intent that the provision of these programs and services will achieve the greatest positive impact possible upon households presently living in poverty.

### **1. Foothill Workforce Investment Board (FWIB)**

Foothill Workforce Investment Board offers the Foothill Employment and Training Connection which provides the following three levels of service: core services, intensive services and training services.

Core Services offers a variety of tools for those who are conducting their own self-directed job search. Central to these tools is a multimedia Information Kiosk, available at our One-Stop Career Service Center, Monrovia Adult School, Pasadena City Hall, Pasadena Chamber of Commerce Pasadena Main Library, as well as several other convenient locations. The Information Kiosk features:

- Sources to help you find jobs and community resources;
- Links to the hottest Web sites for career development and employment information, including CalJobs, an internet-based job opening browsing system;
- A business directory of local employers;
- A comprehensive vocational training directory for finding opportunities to enhance your skills;
- Information about area public transportation, including bus schedules and routes;
- Access to important information provided by the State, such as Social Services;

- Local labor market information to let you know what jobs are in demand as well as job openings for the State of California;
- Core Service users also get the benefit of many other Career Service Center resources such as telephones, photocopiers and fax machines. You may also utilize the computer lab where you can create resumes and conduct job searches. With our Internet capability, you'll have total access to the world of interactive online job searching.

Intensive services are designed for those individuals who may require one-on-one assistance in order to find employment. A comprehensive or specialized assessment define goals that help individuals move along towards the next stage of your career. In addition, short-term, pre-vocational training programs teach the guiding principles and skills necessary for finding and keeping employment. To ensure that individuals are successful in a job search, a Foothill representative maintains contact with individuals to assist them along the way.

Training services are tailored especially for those who face specific challenges to gaining employment. If someone has limited or outdated skills and has not been able to obtain work after using the first two levels of service, training and development of new skills is offered. Eligible individuals may receive a voucher for occupational skills training with approved vocational and professional schools. These opportunities include paralegal training, truck driving, medical services and computer training. Other options include on-the-job training and entrepreneurial training. In some cases, limited financial assistance is provided to those who have a need for basic necessities, such as childcare, transportation, clothing, tools and uniforms.

### 3. County of Los Angeles Department of Public Social Services

The mission of the Los Angeles County Department of Public Social Services (DPSS) is "to provide effective services to individuals and families in need, which both alleviate hardship and promote personal responsibility and economic independence." DPSS administers the Temporary Assistance to Needy Families (TANF) program (known as CalWORKS in California) for Los Angeles County as well as the L.A. GAIN program, which is the welfare-to-work program for families receiving TANF.

The primary objective of L.A. GAIN is to help CalWORKS participants reach financial self-sufficiency through employment. L.A. GAIN uses a network of over 300 outside service providers, including community college and school districts, job search providers, vocational assessors, child care resource and referral agencies, and adolescent family life agencies. GAIN participants are referred to services such as motivational training, job search and development and other training and education programs. Supportive services such as payment for child care, transportation, and work-related expenses (books, clothing and supplies) are provided.



#### 4. Union Station Homeless Services, Inc. - Sources: Job Training Program

Union Station Homeless Services, Inc. provides a unique and innovative job training program - Sources. The Sources program serves the target population of homeless and very low-income individuals who are experiencing difficulty in finding employment. Services include job search, career counseling, interview techniques, workshops/seminars, etc. In addition, mentors and other supportive services are provided for clients as needed. Tracking and follow-up services are ongoing. Clients are able to use the resource room, which includes access to the fax machine, telephone, computer, voice mail messaging center, the internet, e-mail, etc.

#### 5. IDEPSCA - Pasadena Street Vendor Association

Push Cart Vendors Program is a grass-roots economic development program, which promotes private enterprise and job creation/retention. The project provides 20 micro-enterprises with technical assistance necessary to sustain successful businesses. Services include business development workshops/seminars, business counseling, crime prevention training, use of a centralized health department approved commissary, payment of City required business operating fees/permits, etc. This is considered a form of non-traditional employment and is particularly attractive to single mothers because it offers a solution to the dilemma of childcare. Mothers can work around their child/children's school schedule and provide much needed support for their families.

#### 6. Pasadena Development Corporation (PDC)

The Pasadena Development Corporation (PDC) is a local non-profit organization, which provides financial assistance to small and minority owned businesses. In addition to financial assistance, available services also include business/loan counseling and packaging, educational outreach, seminars/workshops, technical assistance, etc. The City uses a portion of its CDBG to fund this program and assisted businesses are required to hire low/moderate-income persons in the jobs that are created/retained.

## **15. Affirmative Marketing**

Each development will have their own Affirmative Marketing Plan; Tenant Selection Plan and Local Preference and Priority System Guidelines as a part of the Owner Participation and Loan Agreement ("OPLA"). The owner of a development shall submit a marketing plan to the City's Housing Director for approval that complies with the requirements of the Local Preference Guidelines adopted by the Pasadena Community Development Commission on January 30, 2006.

## **16. Minority Outreach**

The following language is included in the OPLA between the City and Developer: "The City of Pasadena is committed to a policy of Equal Opportunity Contracting. Qualified firms including small businesses and businesses owned by women, minorities, and disabled persons are encouraged to submit bids or proposals. Owner expressly agrees to comply with the City's ordinances and regulations regarding Equal Opportunity Employment as well as regulations that may be mandated by the sources of the funds supporting this Agreement. To the extent permitted by law, Owner expressly agrees to establish compliance with the Equal Employment Opportunity Practices Provisions of Chapter 4.08 of the Pasadena Municipal Code, and the Rules and Regulations adopted pursuant to said ordinance."



## **FIRST-TIME HOMEBUYERS' GUIDELINES FOR RESALE OR RECAPTURE**

The City of Pasadena First-Time Homebuyers and Homeownership Opportunities Program Guidelines for resale or recaptures are consistent with the HOME Program Regulations, Section 92.254. An appropriate HOME Program funding percentage shall be sold to, and owned and occupied by low-income families as defined by Section 92.2 of the HOME Regulations (the "Restricted Units"). Low-income families are defined as those families who meet the criteria of Section 92.254 of the Regulations for Homeownership, or the criteria of Health and Safety Code Section 50079.5 for "lower-income households," whichever criteria is more restrictive.

The housing units purchased shall not exceed 95% of the median purchase price for the single-family dwelling per Section 92.254 (a) (1) (i) and (ii) shall have an estimated appraised value at acquisition, if standard, or after any repairs made to meet property standards in 92.251, that does not exceed the limit described in (a) (1) M. In addition, only low-income families shall be eligible to purchase the restricted units.

The affordability period, resale and recapture provisions adopted by the City of Pasadena (the "Participant") follows Section 92.254 (4) (B) (ii) of the Regulations and is based on the same criteria as the Participant's "Homeownership Opportunities Program."

If the HOME assisted owner-occupied unit is resold during the affordability covenant period, the Participant is repaid its principal loan amount, the loan fee (if any), plus a certain percentage of the appreciation in the sales price. The appreciation is calculated as follows: (a) the resale price, minus (b) the original sales price paid by the borrower, minus (c) the borrower's resale closing costs.

The Participant's share of the appreciation is equal to the ratio of the Participant's First-Time Homebuyers' down payment assisted second trust deed loan amount to the dwelling unit sales price originally paid by the borrower. The Participant's share of appreciation in any resale during the affordability covenant period may be subject to and modified by certain lender regulatory requirements.

In a resale, the borrower/seller may offer the unit at a price not to exceed fair market value, as may be determined by a MAI appraisal. Several factors determine the actual resale price that the seller can command: (a) the amount of funds coming back to the Participant upon resale; (b) the amount of Participant assistance required by the prospective buyer; (c) the financial ability of the prospective buyer to make the minimum down payment; and (d) the amount of the first trust deed loan for which the prospective buyer qualifies.

If the unit is resold with negative appreciation, the Participant staff will review the specific case and make any necessary adjustments to the loan amount such that repayment of the second trust deed loan (the Homebuyer's loan) does not cause hardship to the borrower.

The remaining percentage of units shall be sold to and occupied by "Persons and Families of Low or Moderate Income" (as defined in Section 50093 of the Health and Safety Code, as amended from time-to-time - the "Other Units"). Only persons and families of low or moderate income meeting the criteria of the Participant's Homeownership Opportunities Program shall be eligible to purchase the Other Units. The Other Units shall be sold at "Affordable Housing Cost" (as such term is defined in Section 50052.5 (b) (2) of the Health and Safety Code, as amended from time-to-time).

## GUIDELINES FOR RENTAL REHABILITATION LOANS

### I. Introduction

The Pasadena Community Development Commission (Commission) administers the Rental Rehabilitation Program (RRP) which provides rehabilitation loans to owners of rental housing within the Pasadena City limits. The loans shall be made to assist owners of rental housing units where other federal and state resources, private insurance proceeds or private institutional lending resources are not available or do not provide the assistance or coverage needed to rehabilitate or reconstruct such housing.

These guidelines establish policies and procedures for RRP loans to owners of rental housing.

### II. Eligibility Criteria

#### A. Eligible Rental Properties

1. Must be one of the following: a single- or multi-family rental dwelling, apartment, group home for senior citizens or the disabled, buildings of mixed residential and commercial use, building of mixed owner-occupied and rental use of two or more units.
2. The housing must be permanent or transitional housing.
3. Acquisition of vacant land or demolition must be undertaken only with respect to a particular housing project intended to provide affordable rental housing.
4. Conversion of an existing structure to affordable housing is eligible rehabilitation unless the conversion entails adding one or more units beyond the existing walls, in which case, the project is new construction.
5. Relocation and rehabilitation of a manufactured housing unit. The manufactured housing unit must, at the time of project completion, be connected to permanent utility hook-ups and be located on land that is owned by the manufactured housing unit owner or land for which the manufactured housing owner has a lease for a period at least equal to the applicable period of affordability.

B. Minimum Amount of Assistance. The minimum amount of RRP funds that must be invested in a project involving rental housing funded with HOME Program dollars is \$1,000 per unit. There is no minimum dollar amount requirement when Housing Trust Fund and Community Development Block Grant funds are invested.

#### C. Property Standards

1. All housing constructed or rehabilitated with Commission funds must meet the accessibility requirements of the Fair Housing Act and Section 504 as well as all applicable local codes, rehabilitation standards, ordinances and zoning ordinances at the time of project completion.

2. Units assisted with Commission funds must meet the City of Pasadena's Uniform Building Code and Section 8 Quality Standards.
3. New construction projects must meet the Model Energy Code.
4. Projects must be inspected throughout the affordability period to ensure that the units are decent, safe and sanitary. Inspections shall be performed annually on all units.

D. Eligible Borrowers

1. Borrowers may be individuals, partnerships, corporations, nonprofit organizations, and other legal entities (but not religious organizations).
2. Borrowers must own or propose to acquire rental property, which has a minimum of one substandard feature.
3. Borrowers must be able to demonstrate the capability or experience to own, manage, and rehabilitate rental housing property in such a manner that assures protection of the interests of the Commission. This requirement may be met by Borrower's demonstration of prior ownership and/or management of comparable rental property.

III. Loan Limits

- A. The maximum per unit loan amount utilizing HOME Program funds is pre-set by HUD regulation. However, RRP loans utilizing HELP funds, HOME funds, Housing Trust Funds and Community Development Block Grant Funds shall have a loan amount of \$25,000 per unit but may be increased if the rehabilitation is warranted.
- B. The total after-rehabilitation indebtedness may not exceed the appraised after-rehabilitation value of the property (100% loan-to-value ratio). For projects, which include acquisition or refinancing costs, a minimum ten-percent (10%) cash investment is required. This investment is based on the total development costs including acquisition or refinancing costs. The Commission, in its sole discretion, may waive these requirements when necessary to ensure compliance with health and safety standards, seismic safety standards, and general property improvements relating to these standards.
- C. Where a project includes Commission funds for acquisition and rehabilitation, the loan amount shall be further limited to the amount, as determined by the Commission, necessary to establish the financial feasibility of the project. Financial feasibility shall mean that the projected project income is sufficient to pay all reasonable and necessary project expenses, including debt service, and including an acceptable annual rate of return on Borrower's actual cash investments, as determined by the Commission. (These criteria would be used to make underwriting decisions and would not result in a long-term limitation on the return on the owner's investment.)
- D. If the project contains both residential and commercial space, Commission funds

may only be used for a pro-rata share of the acquisition and rehabilitation costs based on the gross residential floor area.

IV. Loan Rate and Terms

- A. Loans shall bear interest at a rate of four percent (4%) per annum on the principal balance. Repayment of the principal and accrued interest amount may be deferred during the first five (5) years of the loan term. Some loans may amortize monthly and each month thereafter until paid in full depending on the cash flow of the project. The term of the loans shall range from fifteen (15) to twenty (20) years for rehabilitation loans and thirty (30) years for acquisition and rehabilitation loans. Borrowers may repay the loan at any time without a prepayment penalty; however, certain restrictions imposed by the Rehabilitation Loan Agreement will remain in effect for the original term of the loan.
- B. Commission loans may be assumed by a purchaser upon approval of the Commission provided that the purchaser demonstrates to the satisfaction of the Commission that it is capable of operating a rental housing development and agrees to assume all provisions of the Rehabilitation Loan Agreement including the limitations on rents and occupancy.

V. Eligible Uses of Program Funds

Funds may be used for costs associated with acquisition/rehabilitation or rehabilitation of residential units and must be necessary to eliminate code violations or hazardous conditions evidencing unsatisfactory living conditions and/or conditions posing a threat to the health and safety of the residents.

A. Eligible Construction Costs

- 1. Rehabilitation work necessary to eliminate code violations or meet Section 8 Housing Quality Standards.
- 2. Rehabilitation work necessary to perform seismic reinforcement and fire safety improvements which pose a health and safety threat to occupants, which are required to be abated as a condition of receiving a building permit.
- 3. Rehabilitation work to make essential improvements, including energy-related repairs or improvements necessary to permit use by persons with disabilities and to abate lead-based paint or asbestos.
- 4. Cosmetic work necessary due to code-required rehabilitation.
- 5. Repair or replacement of damaged walls and fences detached from the rental dwelling when necessary to prevent soil erosion, if necessary for security reasons, or to prevent structural damage to the rental property.
- 6. Repair or replacement of driveways or walkways that cause safety hazards.
- 7. Reconstruction of units if destroyed by natural disasters when deemed

necessary by local officials or when the estimated cost of demolition, construction and related activities is less than the estimated cost of rehabilitation.

8. Handicapped accessibility improvements, where such improvements are necessary to provide access for existing occupants.
9. Chimney repair, replacement or demolition. Rebuilding to zero clearance using prefabricated metal rather than masonry is encouraged.
10. Repair, replacement or demolition of attached carports and garages where required to eliminate a hazard. The new construction of carports and/or garages is eligible to meet code requirements.
11. Reimbursement of approved eligible construction costs related to emergency repairs incurred prior to loan approval.
12. Change in the configuration of existing units to enlarge unit(s) to provide additional bedrooms and bathrooms to accommodate large-size households and to eliminate displacement of existing tenants.
13. To demolish existing buildings only if site will be rebuilt with an affordable rental housing structure.

#### B. Refinancing Costs

The cost to refinance existing debt secured by housing that is being rehabilitated with program funds:

1. For multifamily rehabilitation projects, where refinancing is necessary to permit or continue affordability. Regardless of the amount of funds invested, the minimum affordability period shall be fifteen (15) years. The Commission's guidelines describing the conditions under which the Commission will refinance existing debt are as follows:
  - a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing;
  - b. Management practices demonstrate that disinvestment in the property has not occurred, that the long-term needs of the project can be met and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated;
  - c. Demonstrate the new investment is being made to maintain current affordable units, create additional affordable units, or both;
  - d. Required period of affordability is fifteen (15) years or longer;

HOME funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG.

1. Soft costs. The costs related to the acquisition/rehabilitation or



rehabilitation of rental property as specified in Section II (2)(3)(4).

2. Relocation costs. The costs as specified in Section II (5) and Section IX.
3. Project hard costs. The costs related to the rehabilitation and reconstruction of rental units.
4. Acquisition costs. Costs of acquiring improved real property combined with rehabilitation.
5. Related soft costs. Other reasonable and necessary costs incurred by the owner or Commission and associated with the financing, or development (or both) of housing being acquired and rehabilitated with HOME funds. These costs include, but are not limited to:
  - a. Architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups.
  - b. Costs to process and settle the financing for a project, such as private lender origination fees, credit reports, fees for title evidence, fees for recordation and filing of legal documents, building permits, attorneys fees, private appraisal fees and fees for an independent cost estimate, builders' or developers' fees.
  - c. Costs of a project audit that the Commission may require with respect to the development of the project.
  - d. Costs to provide information services such as affirmative marketing and fair housing information to prospective owners and tenants as required by program regulations.
  - e. For rehabilitation, the cost of funding an initial operating deficit reserve, which is a reserve to meet any shortfall in project income during the period of project rent-up (not to exceed eighteen (18) months) and which may only be used to pay project operating expenses, scheduled payments to a replacement reserve, and debt service. Any funds placed in an operating deficit reserve that remain unexpended after the period of project rent-up may be retained for project reserves if permitted by the Commission.
  - f. Staff and overhead costs directly related to carrying out the project, such as work specifications preparation, loan processing inspections, and other services related to assisting potential owners, tenants, and homebuyers, e.g., housing counseling, may be charged to project costs only if the project is funded and the individual becomes the owner or tenant of the assisted project. For multi-unit projects, such costs must be allocated among assisted units in a reasonable manner and documented.
  - g. For rehabilitation, costs for the payment of impact fees that are

charged for all projects within a jurisdiction.

- h. Costs of environmental review and release of funds, which are directly related to the project.
6. Relocation costs. The cost of relocation payments and other relocation assistance to persons displaced by the project are eligible costs.
- a. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket costs incurred in the temporary relocation of persons.
  - b. Other relocation assistance means staff and overhead costs directly related to providing advisory and other relocation services to persons displaced by the project, including timely written notices to occupants, referrals to comparable and suitable replacement property, property inspections, counseling, and other assistance necessary to minimize hardship.

C. Ineligible Uses of Program Funds

- 1. Non-essential items not attached to the main rental dwelling(s); luxury quality materials and construction techniques; personal property or furnishings; dishwashers, trash compactors, refrigerators; and work associated with non-residential portions of a mixed-use structure.
- 2. Costs associated with upgrading the units such as the addition of common space unless such space is utilized as a play area for minor children.

VI. Occupancy Requirements and Rent Limitations

A. Occupancy Requirements

- 1. Tenants who occupy a unit in the dwelling at the time of application for the Commission loan shall be allowed to continue occupancy. Tenants who are displaced as a result of the rehabilitation work, or for overcrowding or economic reasons may be entitled to relocation benefits under State and Federal laws.
- 2. Section 8 Quality Standards shall be the standard whereby families shall occupy units according to the family's household size.

B. Rent Limitation Requirements

- 1. Tenants that reside in units assisted with Commission funds must have low or very-low incomes and these rents are strictly controlled by a covenant recorded to assure affordability during the term of the loan.
- 2. HUD publishes acceptable rents to be charged to low and very-low income households by bedroom size.
- 3. Tenants occupying Commission assisted units whose annual incomes

increase and exceed 80% of median income may remain in their units but they must pay the lesser of 30% of their adjusted monthly incomes for rent and utilities or the market rent.

4. Tenants' incomes and family size must be reviewed annually by RRP staff and inspections of the property made annually.

## VII. Underwriting Policies and Issues

### A. Reimbursement for Eligible Work Items

RRP funds may be used to reimburse a Borrower for eligible work performed prior to loan approval under the following conditions:

1. The pre-rehabilitation condition necessitating the work is clearly documented including the verification that the work performed was to eliminate potential health and/or safety conditions.
2. The actual cost of the work is documented through receipts or other means.
3. Commission staff inspects the work and certifies that it has been completed and that the cost was reasonable.

Loan packages involving reimbursement must contain the documentation and certification listed above or they cannot be processed as an application for RRP funds.

### B. Security Position

Commission loans may be junior in position to existing or new private financing based on the Commission approved execution of a subordination agreement.

### C. Balloon Payments

Commission loans that will be junior to financing with balloon payments must have the same maturity term as the balloon payment loan.

### D. Refinancing

Refinancing is only considered when necessary to avoid a foreclosure, or to maintain affordable rents and ensure fiscal integrity. The Commission will subordinate to a refinanced loan only to the extent that the new loan amount together with the RRP loan does not exceed 100% loan-to-value ratio. Such request will be reviewed by the Commission's legal counsel and is subject to Commission approval.

### E. Borrower Credit History

Commission may disapprove loans due to poor credit history, especially where the Borrower lacks substantial equity in the secured property.

### F. Loan-to-Value Ratio

Total indebtedness may not exceed the after-rehabilitation appraised property value (100% loan-to-value ratio). Commission may allow exceptions to this limitation when necessary to ensure compliance with health and safety standards, seismic safety standards, and general property improvements relating to these standards.

G. Cash Flow

The after-rehabilitation project operating income must be sufficient to cover operating expenses, replacement reserves, and debt service; however, depreciation is not included. Commission may waive this requirement if the negative cash flow will be of limited duration or the Borrower provides adequate assurances of providing sufficient operating income from other sources.

H. Contingency Funds

Generally, the maximum amount of funds allowed for construction contingencies is ten percent (10%) of the construction contract amount. Contingency funds that are used must be documented with construction change orders signed by the Commission, the Borrower, and the contractor. Funds that have not been used must be returned to the Commission and will be applied towards the Borrower's outstanding principal loan balance.

I. Mixed Residential/Commercial Use

If the project contains both residential and commercial space, RRP funds may be used only for the following:

1. A pro-rata share of acquisition cost based on gross residential floor area.
2. Costs directly attributable and exclusively beneficial to the residential space. All work write-ups must clearly show which work items are attributable to the commercial space. Cost estimates must similarly reflect separately the commercial and residential rehabilitation costs.
3. A pro-rata share, based on gross floor area, of costs that cannot be directly attributable to either the commercial or residential space. For example, the RRP will pay for two-thirds of the cost of a roof in a typical three (3) story building with two residential stories.

VIII. Tenant Relocation Benefits

A. Eligible Households

Eligible households must live or have lived in the dwelling to be acquired and rehabilitated or rehabilitated with RRP assistance and either:

1. Have been forced to move from their unit in the project because the rehabilitation rendered the unit uninhabitable; or
2. Have been forced to move from their unit in the project due to repairs

completed before the start of the RRP financed rehabilitation; or

3. Will be forced to move from their unit in the project due to the RRP financed rehabilitation work.

#### B. Types of Benefits

1. Re-occupancy rights: eligible households must be allowed to reoccupy their units upon completion of the RRP financed rehabilitation or be provided a suitable unit within the project. The only exception to this requirement is when re-occupancy would necessitate the displacement of another household.
2. Financial assistance: eligible households shall be entitled to for temporary or permanent relocation benefits pursuant and subject to the requirements of the Uniform Relocation Act or State Relocation Law. Relocation benefits include rent differential payments as well as moving expenses.
3. All relocation costs may be included in the RRP loan amount and paid by either the Borrower or the Commission.
4. The Commission shall have the right to determine if the differential payments are paid in one lump sum, monthly, or annual installments.

#### C. Relocation Administrative Responsibilities

With the assistance of the Borrower, the Commission shall undertake the following responsibilities:

1. Notify potentially eligible households of their re-occupancy rights and of the availability of financial assistance.
2. Provide information on suitable replacement housing and develop a relocation budget.
3. Process claims for financial assistance.
4. Disburse financial assistance funds.

#### D. Relocation Budget

The relocation budget amount is calculated based on family size and the number of bedrooms required, actual moving expenses and may be included as part of the RRP loan requested.

#### E. Tenant Notification

The Commission must provide advance written notice to tenants who will be required to move due to the RRP financed rehabilitation. This notice must advise tenants of their right to reoccupy the unit upon completion of reconstruction. It

must also state that they may be eligible for financial benefits, inform them where and how to apply, and set a thirty (30) day deadline for filing an application. A good faith effort must be made to locate eligible tenants who have already vacated their units. At a minimum, the above-referenced notice must be mailed to the tenant's forwarding address and to the tenant's vacated unit.

F. Processing Relocation Claims

All documentation submitted in support of relocation claims must be reviewed by the Commission to ensure authenticity. Prior to making a disbursement, Commission must be contacted to verify information provided by the tenant regarding relocation assistance received from other sources.

G. Disbursements

Tenant relocation payments are to be disbursed in either a lump sum, a monthly basis or annual by the Commission to the tenant. The relocation benefits shall be disbursed consistent with the existing practice of the Commission.

H. Required Records

A copy of all relocation notices supplied to tenants, all documentation of tenant relocation claims, the Tenant Relocation Assistance Form and complete accounting records for all relocation disbursements shall be retained in the Borrower's loan file.

I. Disposition of Surplus Funds

Unused loan proceeds allocated for relocation expenses shall be promptly returned to the Commission. The funds will be applied towards the Borrower's outstanding RRP principal loan balance.

IX. Components of the Loan Package

All loan packages must be submitted to the Community Development Committee and/or the Commission for review and approval. In all cases, loan packages must contain complete and accurate information. Following is a listing of items to be included in all loan packages:

A. Loan Application Form

All Borrowers must complete the RRP Loan Application. The application must be complete with original signature of all Borrowers.

B. Insurance

A Copy of the current fire and hazards insurance policy on the subject property is required.

C. Preliminary Title Report and Title Insurance

1. A preliminary title report and title insurance are required for RRP loans, showing vesting of title in the Borrower's name and title insurance ensuring marketable title. All taxes and assessments must be current and the title should be free of attachments, judgments, or mechanics' liens. All clouds on title must be removed prior to loan closing.
2. Policies of Insurance of Record Titles (PIRTs) are acceptable for loans under \$20,000. California Title Reports (CTRs) are acceptable for loans under \$75,000. These items must, however, include an indication of proper vesting of title, a legal description, and all involuntary or involuntary liens, including tax liens, attachments, judgments, and mechanics' liens.
3. Preliminary title reports and PIRTs that are over three months old at the time the loan application is ready to close must be updated at the Commission's request.
4. Loans over \$75,000 must be covered under an ALTA policy.

D. Mortgage Verifications

1. Mortgage verifications are required for each existing mortgage. Each verification should include the current balance, balloon payments or other adjustable terms information, the monthly payment, whether the loan is interest only or includes principal, taxes and insurance, and an indication as to whether the loan is current. Mortgage verifications should be no more than three (3) months old at the time the loan is submitted to the Commission; however, the Borrower may submit copies of subsequent payment receipts or cancelled checks to the Commission staff to update verifications over three (3) months old.
2. If the Borrower has the year-end statement and payment receipts, which reflect that the loan is current to date and the promissory note, which reflects the loan terms, these documents may be substituted for the mortgage verification form.

E. Federal Income Tax Returns

Exact copies of complete filed tax returns for the three (3) most recent tax years are to be submitted to Commission staff.

F. Financial Information

Partnerships, corporations, non-profit organizations, and self-employed Borrowers must submit Business Income and Expense Statements and Balance Sheets for the three (3) most recent fiscal years. Audited financial statements should be submitted if available.

G. Credit Report

The Borrower's credit report will be reviewed closely for poor payment patterns, bankruptcy, judgment or extensive liabilities that may indicate a prohibitive risk to making the loan. This report must be initiated by the RRP and included in the loan package.

#### H. Appraisal

Appraisals for loans under \$50,000 may be prepared by a fee appraiser or by a qualified Commission staff person. Appraisals for loans over \$50,000 must be prepared by a SREA, MAI, or comparably certified fee appraiser. Appraisals are required in every case. Appraisal fees for independent appraisers may be included in the RRP loan amount. All appraisals must include:

1. The name, address, qualifications, and signatures of the person(s) preparing the appraisal.
2. The pre-rehabilitation appraised value.
3. The after-rehabilitation value of the property as determined by applicable appraisal techniques (i.e., market, income, and replacement cost appraisal approaches).
4. A description of the property.
5. A description of the general location of the property and the surrounding neighborhood.
6. The methodology and calculations used in arriving at the value indicated by each valuation technique.
7. Any additional supporting material such as maps, photographs.
8. The dates showing when the values were estimated and when the report was prepared.

Appraisals will not be acceptable if they are more than six months old, however, the appraiser submits a statement verifying that the values of the specific property and surrounding properties have not decreased.

#### I. Work Write-up and Cost Estimate

The Work Write-up and Cost Estimate should be prepared by the Commission or its designee. It shall clearly indicate items and costs that qualify for an RRP loan and should include the total cost of all work to be performed. Conditional loan approvals may be based on estimates. Final cost estimate must be sent to the Commission as soon as they are available.

#### J. Construction Contract



A copy of the proposed execution-ready or executed contract, including all contract documents, must be included in the package. Prior to the award of the construction contract, the general contractor shall obtain insurance coverage as set forth in the Rehabilitation Loan Agreement.

K. Contract Bid Tabulation

This item is required only if competitive bidding is used and should list all contractors and their bid amounts.

Should bids not be solicited, and the contract sum differs significantly from the RRP's cost estimate, the Commission must certify the reasonableness of the contract sum.

L. Affirmative Marketing

If a project contains more than one (1) unit, a Management Plan is required which sets forth the plan for operating the project after rehabilitation.

M. Tenant Lease or Rental Agreement Form

A copy of the lease or rental agreement effective at the time of loan application must be included in the loan submittal. Additionally, the proposed lease or rental agreement forms to be used by the Borrower must be included and contain provisions substantially similar to the following:

Landlord shall terminate this lease (or agreement) only in accordance with the law and only for good cause. Good cause for termination shall include:

1. Abandonment of the unit by Tenant.
2. Nonpayment of rent in a timely manner.
3. Material or repeated violation by Tenant of reasonable house rules.
4. Material or repeated violation of the terms of this lease (or agreement) by Tenant.
5. Intentional misrepresentations or intentional failure to state any fact or facts, including facts concerning Tenant's income and assets, upon which Landlord has relied in agreeing to enter into the Lease (or agreement).

X. Loan Package Review and Processing

A. Loan Processing

1. After receiving a loan package, the Commission or its designee will complete the first level of review (quantitative review) to determine if the submitted documents are in compliance with RRP requirements.
2. A detailed level of review (qualitative review) shall be performed to verify

the correctness and completeness of the loan application and accompanying documentation. The Commission will inform the Borrower of any remaining deficiencies that must be corrected prior to loan approval.

3. A request for loan approval shall be submitted for loans up to \$75,000 for the Community Development Committee's review and approval and for loans over \$75,000, to both the Community Development Committee and, if approved, to the Pasadena Community Development Commission for its approval.

## XI. Loan Closing Responsibilities

### A. Loan Closing

1. The following RRP loan documents are to be completed and submitted to legal counsel for review prior to loan closing:
  - a. Rehabilitation Loan Agreement. This is the controlling document during the construction phase of the rehabilitation and during the term of the loan.
  - b. Promissory Note.
  - c. Deed of Trust. This document secures the Promissory Note and is recorded. This document is a lien against the subject property.
  - d. Agreement Containing Covenants. This agreement sets forth the program requirements and assures rental affordability during the loan term. This document is executed between the Commission and the Borrower and is acknowledged and recorded as a lien against the subject property.
  - e. HOME, CDBG, or Housing Trust Fund Requirements Addendum which specifies the program regulations.
  - f. Assignment of Rents. This document is executed to provide authority to the Commission to collect the rental income in the event the property goes into foreclosure.
  - g. Assignment of Agreements. This document makes provision for the Commission to become the owner of architectural drawings, plans, and specifications in the event agreements executed by the Borrower are assigned to entity or person(s).
  - h. Request for Notice. This agreement is recorded and provides for notification to the Commission in the event the Borrower defaults on superior loans.
  - i. Environmental Indemnity. This document makes provision to the

Commission that the property is free and clear of any environmental material hazards.

j. Borrower's Affidavit. This document is executed by the Borrower to the Commission attesting to the Borrower's ownership of property and the right to enter into legal contracts binding subject property to liens and covenants, etc.

k. Disclosure Statement.

l. Notice to Rescind.

m. Policy of Title Insurance.

n. Loan Disbursement Agreement.

2. Legal Counsel will provide executable copies of the above-referenced documents along with escrow instructions, all of which will be forwarded to escrow. The Commission will then forward funds separately to the escrow for disbursement.

3. The Commission shall ensure compliance with RRP hazard insurance requirements insuring against loss by fire or other hazards, with a lenders loss payable endorsement showing the Commission insured in an amount sufficient to cover the total after-rehabilitation replacement value. If a property is located in a flood zone, flood insurance coverage is also required. The RRP shall also ensure that a current liability insurance policy for the property has been issued, with general liability coverage in amount not less than \$1,000,000 per occurrence, with the Commission named as additional insured.

4. The Commission shall ensure satisfaction of any conditions listed in the loan approval letter and escrow instructions.

5. If an escrow service is retained, the escrow officer shall arrange for the Borrower to execute the loan documents and responsible for disbursing construction contract payments and monitoring construction in accordance with normal prudent record said documents. Following recordation, the Commission shall forward to the City Attorney all of the executed original loan documents, the title insurance policy, and proof of insurance for appropriate safekeeping with copies maintained in Borrowers' files.

#### B. Fund Disbursement and Construction Monitoring

1. The Commission or its designated subcontractors are construction lending practices, including periodic inspections by qualified construction inspectors. Acceptable records of construction contract payments for each loan must be maintained. Records must fully and completely show the date, amount, purpose and payee for all disbursements.

2. Progress payment and final material and labor lien releases must be

submitted to the Commission upon a request for fund disbursement.

3. A 10% retention of the contract cost shall be retained to insure satisfactory completion of the project.
4. A Notice of Completion must be prepared and recorded once the project has been satisfactorily completed. Retention payments should typically be released thirty-five (35) days after the filing of the Notice of Completion.

C. Unused Funds

All unused loan proceeds and accrued interest, if any, shall be returned to the Commission within twenty (20) days after the retention payment has been disbursed. These funds will be applied against the Borrower's outstanding principal loan balance.

XII. Monitoring Responsibilities

After rehabilitation work has been completed, the Commission or its designee will monitor all loans. These responsibilities include:

1. Reviewing annual financial reports, including management plan and operation's budget, if applicable, submitted by Borrowers to verify compliance with the Rehabilitation Loan Agreement. These reports consist of: a) documentation of property tax payments; b) a schedule of current rents; and c) the incomes of all tenants under occupancy and rental restrictions.
2. Performing site inspections as necessary to ensure adequate maintenance.
3. Taking corrective action in the event a Borrower fails to comply with the conditions of the Rehabilitation Loan Agreement, Deed of Trust, Agreement Containing Covenants, and the Promissory Note.
4. Processing loan subordination and assumption requests.
5. Monitoring any defaults or foreclosures.
6. Coordinating with the City's Finance Department all processing and monitoring all loan servicing responsibilities.



**HUD Income Guidelines- Exhibit "F"**  
**Effective December 2012**

## KEY TO HOUSEHOLD INCOME LIMITS

<b>Number of Persons in Household</b>	<b>Level 1 Extremely Low-Income</b>	<b>Level 2 Very –Low Income</b>	<b>Level 3 Low to Moderate Income</b>	<b>Level 4 Moderate Income and Above</b>
1	\$17,400 & below	\$17,401 - \$29,000	\$29,001 - \$46,400	above \$46,400
2	\$19,900 & below	\$19,901 - \$33,150	\$33,151 - \$53,000	above \$53,000
3	\$22,400 & below	\$22,401 - \$37,300	\$37,301 - \$59,650	above \$59,650
4	\$24,850 & below	\$24,851 - \$41,400	\$41,401 - \$66,250	above \$66,250
5	\$26,850 & below	\$26,851 - \$44,750	\$44,751 - \$71,550	above \$71,550
6	\$28,850 & below	\$28,851 - \$48,050	\$48,051 - \$76,850	above \$76,850
7	\$30,850 & below	\$30,851 - \$51,350	\$51,351 - \$82,150	above \$82,150
8	\$32,850 & below	\$32,851 - \$54,650	\$54,651 - \$87,450	above \$87,450

It is a goal of the CDBG program to provide services to its clients in a sensitive and respectful manner. In the past, the CDBG Income Eligibility Form (Exhibit "F") identified income limits as Extremely Low-Income, Very-Low Income, Low to Moderate Income and Moderate Income and Above directly on the Exhibit "F" itself. The current Exhibit "F" identifies household income by levels; this has been done to be more sensitive to the clients. Nevertheless, it is very important that household income information continue to be reported to the CDBG administration as Extremely Low-Income, Very-Low Income, Low to Moderate Income and Moderate Income and Above. This key provides the guidance needed to report the income information as required.



**CITY OF PASADENA**

**CITIZEN**

**PARTICIPATION**

**PLAN**

**FOR**

**FEDERAL**

**GRANT PROGRAMS**



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EXHIBIT A - CITY COUNCIL AGENDA REPORT – JANUARY 25, 1999  
"Modifications to the CDBG/ESG/HSEF Allocation Process"

## FORWARD

The Housing and Community Development Act of 1987 was passed by Congress in December, 1987, and signed by the President on February 5, 1988, and, as amended on January 5, 1994. The Act contains a number of provisions that affect the Federal Grant Programs, including Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), and HOME Investment Partnerships (HOME) Programs. A central issue is citizen participation.

In order to receive federal grant funds, a grantee will have to certify that it is complying with a Citizen Participation Plan which provides for six (6) elements detailed in the regulations. Specifically, the Act states the following:

### **SECTION 508. CITIZEN PARTICIPATION PLAN**

Section 104(a) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following:

“(3) A grant under Section 106 may be made only if the grantee certifies that it is following a detailed citizen participation plan which:

(A) provides for and encourages citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of slum and blight areas and of areas of which Section 106 funds are proposed to be used, and in the case of a grantee described in Section 106(a), provides for participation of residents in low and moderate income neighborhoods as defined by the local jurisdiction;

(B) provides citizens with reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, as required by regulations of the secretary, and relating to the actual use of funds under this title;

(C) provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee;

(D) provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities and review of program performance, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;

(E) provides for a timely written answer to written complaints and grievances, within 15 working days where practicable; and

(F) identifies how the needs of non-English speaking residents will be met in the case of public hearing where a significant number of non-English speaking residents can be reasonably expected to participate.

The paragraph may not be construed to restrict the responsibility of authority of the grantee for the development and execution of its community development program.

Provided within is a new Citizen Participation Plan for the City of Pasadena, which has been developed to supersede and use in place of the City's earlier plan.

In developing this Plan, the City has divided it into six sections, each of which addresses one of the six elements referenced in the legislation. In addition, a summary has been included that details the manner in which the six sections interrelate.

Questions regarding the Plan can be addressed to:

City of Pasadena, Housing Department  
Attention: William K. Huang, Housing Director  
Mailing Address: P.O. Box 7115, Pasadena, CA 91109  
Office location: 649 N. Fair Oaks Ave., Suite 202, Pasadena, CA 91103  
Telephone: (626) 744-8320, Fax: (626) 744-8340

#### **A. CITIZEN PARTICIPATION PROCESS**

It is the intent of the City to provide for and encourage citizen participation throughout the process of implementing the federal entitlement programs (specifically CDBG, ESG, and HOME). Towards this end, the City has established advisory bodies to assist the City Administration in allocating and monitoring the use of federal entitlement funds. These advisory bodies are called the Human Services Commission, which consists of fifteen participating members, and the Northwest Commission, which consists of eleven participating members; and all participating members represent various segments of the community. An additional advisory body is the Community Development Committee, which consists of nine participating members. All of these members are at-large members appointed by the City Council. (Please refer to Ordinance No. 6507 amending Title 2 to add Chapter 2.86 to the Pasadena Municipal Code, establishing the Human Services Commission and to repeal Chapters 2.60 and 2.120 related to the Commission on Children and Youth and the Senior Citizens Commission; and to Ordinance No. 6404, approved October 30, 1990 and amended July, 1991, which amends Title 2 of the Pasadena Municipal Code to add Chapter 2.95 to establish the Northwest Commission; and to Ordinance No. 5510, dated April 21, 1981, as amended by Ordinance No. 6229, December 22, 1987, and Ordinance No. 6319, April 4, 1989 to establish the Community Development Committee.)

The members of the Human Services Commission, the Northwest Commission, and the Community Development Committee shall include representation from among the following segments of the community:

1. Low/Moderate income residents
2. Minority Groups
3. Residents from areas where block grant activities are ongoing or proposed
4. Elderly
5. Handicapped
6. Business community

The Human Services Commission will continue to meet on the second Wednesday of each month, the Northwest Commission will continue to meet on the second and fourth Thursday of each month, and the Community Development Committee will continue to meet the second, and fourth Thursday of each month, to review the City's progress in implementing the federal entitlement Programs. All of the Commission and Committee meetings are advertised, open to the general public and held in a facility accessible to the handicapped. The Commissions and Committee also have the authority to make formal recommendations to the City Council/Commission regarding program selection, the specific level of production and the individual dollar amount needed to support those activities for the federal entitlement Programs.

The Housing and Community Development Act of 1987 requires that recipients of federal funds emphasize the participation of persons of low and moderate income and residents of low and moderate income neighborhoods in the program planning process. In response to this requirement, Commission and Committee meetings are held monthly. The frequency of the meetings allows the Commissions and Committee the opportunity to focus on the various segments of the community with more specificity. Also this provides the citizens with regularly scheduled opportunities to voice their opinions and views in regard to particular subjects of interest. These meetings will be held at City Hall or other community center locations, which are accessible to the handicapped and geographically centrally located for the residents of Pasadena.

Additionally, City staff with concurrence of the Commissions and Committee, will continue to provide public information and/or conduct annual public information meetings (i.e., December and January) to review the funding and process and to apprise the attendees (i.e., citizens, non-profits, CBO's, etc.) of any and all revisions to the CDBG, ESG and/or HOME Program rules and regulations. These meetings will be carried out from a facility which is accessible to the handicapped and centrally located or situated in a low or moderate income neighborhood. Advertisements for these public information meetings will emphasize the new requirement that at least 70% of all federal entitlement funds must be spent on projects that benefit low and moderate income persons. These actions should ensure that the views of this target population will be represented in the planning and implementation of the federal entitlement programs.

## **B. ACCESS TO INFORMATION**

It is the intent of the City to make all records and information related to the federal entitlement programs readily available to residents of the community. Towards this end the City will take the following actions:

1. Advertise all public hearings in at least one local newspaper a minimum of two weeks before the scheduled hearing dates. These advertisements shall be written in both English and Spanish.
2. Post a copy of the agendas of all public hearings and other meetings of the Human Services Commission, the Northwest Commission, the Community Development Committee, or pertinent City Council meetings on bulletin boards readily accessible to the general public at City Hall, the Central Library, and all branch libraries. These agendas shall be posted a minimum of 72 hours before any scheduled hearing or meeting.

3. Make available for public inspection copies of the approved minutes of all Human Services Commission, Northwest Commission, or Community Development Committee hearings or meetings at City Hall. These minutes shall be made available within 72 hours or approval. Copies of documents will be reproduced upon request at the normal cost of printing.
4. Make available for public inspections copies of the Consolidated Plan, Grantee Performance Reports, Consolidated Plan Annual Performance Report, and pertinent agendas and approved minutes for a five year period. These documents shall be available at the Housing Department Office, Renaissance Plaza, 649 N. Fair Oaks, Room 202, Pasadena, CA 91103. Copies of documents will be reproduced upon request at the normal cost of printing.

### **C. TECHNICAL ASSISTANCE**

It is the intent of the City to provide technical assistance to all residents interested in developing proposals for the future use of federal entitlement funds. To ensure that residents are aware of this assistance, advertisement of public information meetings related to the development and the review of proposed federally funded activities will include reference to this service.

It is expected that the need for this assistance can be minimized by including in these advertisements an explanation of the types of projects that are eligible for funding. However, if additional help is needed, the staff of the City's Housing Department will be available to provide technical assistance either directly or by making referrals to other City entities.

### **D. PUBLIC HEARINGS**

The City shall hold at least one public hearing annually before its Human Services Commission, Northwest Commission or Community Development Committee. The hearing shall be held prior to the development of the City's Annual Consolidated Plan and/or Consolidated Plan Annual Performance Report Submission. The purpose of this hearing will be to define needs and review proposed activities for the upcoming year. Under normal circumstances this hearing will be held during the winter quarter of the year. The Human Services Commission, the Northwest Commission, and/or the Community Development Committee will use the input received at this public hearing to develop recommendations for the City Council's consideration on the use of federal entitlement funds for the new year. The recommendations of these Commissions and Committee will then be considered by the City Council/Commission as an agenda item at a regularly scheduled City Council/Commission meeting.

Public Hearings will be held primarily at City Hall. This building is geographically located in the center of the City, is convenient to a bus line, and is readily accessible to the handicapped.

All public hearings will be advertised in at least one local newspaper two weeks before the scheduled hearing dates.

**E. RESPONSE BY CITY TO COMPLAINTS**

The City recognizes that despite making significant efforts at outreach and education there may be complaints and/or grievances filed regarding the operation of the City's federal entitlement programs. These concerns should be addressed to the following:

City of Pasadena, Housing Department  
Attention: William K. Huang, Housing Director  
Mailing Address: P.O. Box 7115, Pasadena, CA 91109  
Office Location: Renaissance Plaza, 649 N. Fair Oaks Ave., Suite 202, Pasadena, CA 91103  
Telephone: (626) 744-8320 Fax: (626) 744-8340

When practical, a written response will be made by the City within 15 working days. If it should take longer to develop a response the City shall notify the correspondent in writing within 15 working days of the time period needed to provide an answer.

**F. PROVISIONS FOR THE HANDICAPPED**

Adequate access and parking shall be provided for all public meetings in order to allow the disabled to attend. Further, when no ramps exist, elevator services will be available.

For the hearing impaired residents seeking information regarding programs, the Planning and Development Department has installed an Inteletype TDD machine.

**G. PARTICIPATION BY NON-ENGLISH SPEAKING RESIDENTS**

It is the intent of the City to allow for input by all non-English speaking, as well as English speaking residents in the public hearing process. Due to the significant number of Spanish speaking residents in the City, an interpreter fluent in that language will be present upon request at all federal entitlement program-related public hearings.

In the event that a resident speaks other than English or Spanish as a principal language (including ASL) all advertisements for public hearings will note that arrangements for an interpreter can be made by contacting the City's Planning and Development Department.

**H. DISPLACEMENT OF RESIDENTS**

For the 35<sup>th</sup> Program Year (July 1, 2009 through June 30, 2010) the City does not intend to displace any residents with CDBG funded activities.

Consistent with that action the City will enforce the condominium conversion ordinance passed in 1980 which will minimize additional conversions of rental units occupied by low or moderate income households into high priced condominiums. Also, the City is not expected to widen streets and/or remove houses in low or moderate income areas unless affordable replacement housing is available during the first incremental year.

As the intent of the City will be to provide a direct financial benefit to the residents of the City.

If displacement does occur the City will construct one for one replacement housing when units are displaced due to redevelopment activity.

### SUMMARY

Several different approaches have been utilized by the City in developing this Citizen Participation Plan that will hopefully encourage citizen involvement in federal entitlement programs.

The broad cross-section of representation on the Human Services Commission, the Northwest Commission, and the Community Development Committee should provide a forum for many different sectors of the community. The meetings of these Commissions and Committee as well as the City's public information meetings and the annual public hearing will regularly keep the federal entitlement programs in the public's view. The availability of federal entitlement program-related records, the City's willingness to provide interpreters for non-English speaking residents, and the quick manner in which the City/Commission responds to complaints or to requests for technical assistance should make it easier for residents to participate in this process. And, the extensive advertising and the public notice procedures that are followed for meetings and hearings should provide adequate notice to interested parties regarding federal entitlement program activities.

The City/Commission expects this Plan to continue to develop over time and is not adverse to taking steps other than those listed within this document to encourage additional citizen participation in federal entitlement programs.

### AMENDMENTS TO CITIZEN PARTICIPATION PLAN

#### Amendment #1

To ensure the City's compliance with the federal regulations Part 24 Code of Federal Regulations (CFR) 91.105 (d)(1) and (e)(1), on October 6, 1997, it was approved by the City Council that the CDBG Citizen Participation Plan be revised to provide for two City Council hearings twice during a CDBG program year. The first public hearing will be to determine the annual program priorities, and the second public hearing will be held in order to review and obtain City Council's approval of the next year's CDBG Program Consolidated Plan/Action Plan (Program Application).

#### Amendment #2

On January 25, 1999 City Council approved modifications to the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), and Human Services Endowment Fund (HSEF) proposal review and funding allocation process. One of the modifications provided for City Council to annually set aside CDBG funds in an appropriate amount to fund eligible City activities. Those activities are included in the "Proposed Projects" section of the Action Plan, 2009-2010. A copy of the January 25, 1999 City Council Agenda Report reflecting the modifications to the allocation process is included in the Action Plan.

The following is a brief summary of the modifications adopted by the City Council:

- a) Human Services and/or Northwest Commissioners will not participate in the review or recommendation process in a category where a Conflict of Interest and/or an Appearance of Impropriety exists;
- b) Each Commission may use the "Rule of Necessity" to reach a quorum when necessary;
- c) The Request for Appeal Process will include a "Public Meeting;"
- d) Written notification shall be provided to all proposers informing of the preliminary and final funding recommendations of the Commissions;
- e) City Council may annually set aside CDBG/ESG/HSEF funds in an appropriate amount to fund eligible City administered activities/projects recommended by the City Manager.





## GLOSSARY OF TERMS AND ABBREVIATIONS

**Anti-Crime Program** - A category that allows for the promotion of activities that reduce crime, including crime prevention education programs and the payment of security guards and systems. See HUD Activity Categories.

**Appeal** - Prior to the Human Services/Northwest Commission retiring to deliberate for the purposes of formulating its funding recommendations to the City Council, each applicant will be provided with an opportunity to appeal. City staff will mail written notification to each applicant of the opportunity to appeal any portion of the funding process. The funding process consists of: (1) preparation of the proposal application; (2) the receipt of technical assistance/advice on request; (3) submission of a complete and timely proposal; (4) staff ranking of proposals by funding category; and, (5) applicant oral presentation to the Human Services Commission (for Public/Human Service Proposals) and Northwest Commission (for Capital Improvement, Economic Development, Housing, and Administration Proposals).

These five elements are "appealable" and are subject to alterations where appropriate, prior to the Human Services Commission and Northwest Commission formulating its final recommendations to the City Council. Should the applicant wish to request that the Human Services Commission or the Northwest Commission review any of the five elements, City staff will schedule a five minute appeals presentation before the appropriate Commission.

**Area Benefit Activities** - Activities that benefit a specific area where at least 51 percent of the residents are low- and moderate-income persons. See CDBG Low- and Moderate-Income Designated Activities.

**Area Median Income** - The exact middle of an income range, where 50 percent of the families have incomes above and 50 percent of the families have incomes below.

**Benefit Service Area** - An area of the City determined to be eligible for CDBG funded project activities. Eligibility is based on the median family income of the area at or below 80 percent of the median family income of the county.

**Capital Improvements** - A capital improvement is a significant change or addition to a physical structure. To be considered a capital improvement, the activity must result in a material, long term benefit that adds value to the improved structure. For example, a new roof, new street lights, or new sidewalks are capital improvements. New paint or water safety instructions are not eligible.

**Census Tract** - Refers to an area or region of the City. CDBG eligible census tracts (those with at least a 51% low/moderate income population) are: 4609, 4615, 4616, 4619, 4620, 4621, 4622, 4623, 4628, and 4635. Eligible census tracts are based on 1990 U.S. Census Data.

**Child Care** - The group care of children in a licensed, or licensed-exempt, program by qualified, trained staff.

**Children** - Individuals between the ages of 0 and 12 years.

**Collaboration** - (definition adapted from "Communities Working Collaboratively for a Change," by Arthur T. Himmelman, September, 1991).

A collaborative project involves the voluntary, strategic alliance of two or more organizations to enhance each other's capacity to achieve a common purpose by sharing risks, responsibilities, resources and rewards. In a collaborative human service project, two or more distinct organizations share the authority, responsibility, funding and service delivery for a project or program, from planning through evaluation, with each agency/organization making a tangible commitment of resources to achieve a shared goal. (Resources may also include in-kind support such as space, staffing, and use of equipment).

**Community-Based Development Organization (CBDO)** - CBDOs are generally nonprofit organizations that undertake specific kinds of CDBG-funded activities. CBDOs can be for-profit or nonprofit organizations, but cannot be governmental entities. A CBDO may be a subrecipient.

**Community Development Block Grant Program (CDBG)** - This program provides states, counties, and cities with Federal funds to help meet their housing and community development needs. The funds must meet one of the following three national objectives: (1) benefit low and moderate income persons; (2) help eliminate slums and blight; or (3) meet urgent needs (such as recovery from a disaster). The program was established by Congress in the Housing and Community Development Act of 1974.

**Community Development Financial Institution (CDFI)** - An organization that: has as its primary mission the promotion of community development; serves an investment area or targeted population; provides development services and equity investments or loans; maintains accountability to residents within its investment area; and is not a public agency or institution.

**Comprehensive Grant Program** - The Comprehensive Grant Program provides modernization funding on a formula basis to approximately 908 Housing Authorities with 250 or more units. Eligible Housing Authorities prepare a comprehensive plan assessing their physical and management improvement needs every six years. Housing Authorities are also required to submit an annual plan that details the use of their funds for the current fiscal year. Under this program, up to 20 percent of their annual formula grant may be used by the Housing Authority to:

1. Fund management improvements needed to upgrade the operation of their developments,
2. Sustain physical improvements, and
3. Correct management deficiencies.

**Comprehensive Improvement Assistance Program (CIAP)** - Under the Comprehensive Improvement Assistance Program (CIAP), Housing Authorities with fewer than 250 units may apply and compete for modernization funds to carry out both physical and management improvements. Approximately 2,500 Housing Authorities compete on an annual basis for CIAP funds by submitting an application to the HUD State/Area Office, which rates and ranks all applications received and makes funding decisions. Of the amount available for public housing, one percent is set aside to carry out goals related to pending civil rights litigation, subject to judicial oversight.

**CDBG Area Benefit Activities** - Proposed projects or activities that benefit a surrounding area, where at least 51 percent of the residents are low- and moderate-income persons. An area that is not primarily residential in character will not qualify under this criterion.

**CDBG Benefit Services Area** - Delineated by the following boundaries: to the North - Woodbury Road; to the South - Maple Street (210 Fwy.); to the East - Lake Avenue; to the West - Arroyo Blvd.

**CDBG Entitlement Amount** - The amount of funds that a metropolitan city and urban county are entitled to receive under the CDBG Metropolitan Community program formula.

**CDBG Joint Grant Agreement** - An agreement between a CDBG urban county and CDBG metropolitan city, located within that county, for the purpose of receiving CDBG funds. The county and the City use the funds to plan and implement a joint community development and housing program.

**CDBG Low- and Moderate-Income Designated Activities** - Activities that must benefit at least 51 percent of low- or moderate-income persons. The four types of activities that meet this designation are Area Benefit Activities, Housing Activities, Job Creation or Retention Activities, and Limited Clientele Activities.

**CDBG National Objectives** - In order for a CDBG activity to be funded, it must either benefit low- and moderate-income persons, or aid in the prevention or elimination of slums and blight. An activity may also be funded if it meets an urgent need.

**CDBG Nonentitlement Amount** - The funds that are distributed to selected communities that apply for CDBG funding through their State or HUD-administered Small Cities program.

**CDBG Program Types** - 1) The CDBG Metropolitan Community grant program whose grantees are metropolitan cities and urban counties; and 2) The CDBG State grant program whose grantees are states.

**CDBG Slum and Blight Designated Activities** - Activities performed in areas that, under state criteria, are considered slum and blighted areas.

**CDBG Urgent Need Designated Activities** - Activities where a grantee certifies that a particular activity is needed to meet an urgent need and that the only funds available to finance the activity are CDBG funds.

**Consolidated Plan** - The Consolidated Plan is a document that is submitted annually to HUD that serves as the planning and community development document (Comprehensive Housing Affordability Strategy and Community Development Plan) of the jurisdiction.

**Continuum of Care** - A system that requires a comprehensive system of housing and necessary services to transition homeless individuals and households into permanent housing. The fundamental components of a continuum of care system in the City of Pasadena (Consolidated Plan 2005-2010) include the following:

- First, there must be outreach, intake, and assessment that connects or reconnects an individual or family to needed support services such as public benefit, rent or utility assistance, employment or family counseling and physical or mental health care.
- The second component is assistance through an emergency shelter facility that provides overnight shelter (for up to 2 months) and fulfills a client's basic needs (i.e., food, clothing, medical care), either on-site or through off-site services. Clients must follow basic rules for health and safety, and there may also be additional requirements to stay (i.e., sobriety, participation in program, employment). Clients usually move into transitional housing after their stay, but, when appropriate, may move into services-enriched or independent-living affordable housing.
- The third component offers transitional housing (for up to 2 years) and necessary social services. Clients will be linked to a high level of interventions, employment services, individual and group counseling and life skills training designed to prepare clients for service-enriched permanent affordable housing or independent-living permanent affordable housing. Such services include substance abuse treatment, short-term mental health services, independent living skills, etc.

**Contractors** - A contractor is an entity paid with CDBG funds in return for a specific service (e.g., construction). Contractors must be selected through a competitive procurement process.

**Corporation** - Legal entity, chartered by a state or the federal government, and separate and distinct from the persons who own it. It is regarded by the courts as an artificial person; it may own property, incur debts, sue, or be sued.

**Displacement** - Refers to that process by which homeowners or renters are forced from their residences by increased rents, property values or a change in use (e.g., a housing structure converted to commercial use) as a result of housing or neighborhood improvement activities. Any CDBG program that contributes to displacement, must also provide for appropriate assistance to any affected individual/family.

**Draw down** - Refers to the process of requesting and receiving CDBG funds. Grantees draw down funds from a line of credit established by HUD, while subrecipients typically draw down funds from grantees.

**Drug Elimination Program** - The Public Housing Drug Elimination Program provides grants to fund drug elimination and other crime prevention activities in public and Indian housing. HUD is authorized to make these grants available to selected Public Housing Authorities and Indian Housing Agencies for the purpose of eliminating drug-related crime in their communities. Activities that may be funded through these grants include employment of security personnel and investigators; reimbursement to local law enforcement for additional services; physical improvements for security; support of tenant patrols; and programs to reduce crime and drug-use by residents. This program also provides funding for the Drug Clearinghouse and special purpose grants in order to provide technical assistance to Public Housing Authorities (PHAs) and Indian Housing Authorities (IHAs).

**Economic Development Category** - A category that allows grantees to use their funds for projects and activities that increase economic opportunity, principally for persons of low and moderate income. A project may also include one or more activities that address a lack of affordable housing accessible to existing or planned jobs. See HUD Activity Categories.

**Education** - A program or activity which provides information, knowledge or training, and stimulates mental growth, for a specific purpose or outcome.

**Entitlement** - A city with a population of 50,000, a central city of a metropolitan area, or an urban county with a population of at least 200,000 that receives an annual allocation of CDBG funds directly from HUD under the CDBG Entitlement Program.

**Emergency Shelter Grant (ESG)** - A formula-based program that allocates funds to states, metropolitan cities, and urban counties to support emergency shelters for homeless individuals and families.

**Empowerment Zone/Enterprise Community (EZ/EC)** - The designees named in a 1994 Federal initiative to revitalize economically-distressed areas of the country. This initiative rewards communities that form local partnerships that help develop a comprehensive revitalization plan for low-income neighborhoods. The four designees are: Empowerment Zone, Supplemental Empowerment Zone, Enterprise Community, Enhanced Enterprise Community.

**Evaluation** - The Northwest Commission and/or Human Services Commission will assess and rate each program/project based on the applicant's written proposal, oral presentation, and community needs assessment. Staff will review and value the applicant's written response to the program/project's consistency with federal and local regulations.

**Extremely Low-Income** - As defined in the Consolidated Plan, a family whose income is between 0 and 30 percent of the Area Median Income. See Income Groups.

**Family** - All persons living in the same household who are related by birth, marriage or adoption.

**Fiscal Year** - The Federal Fiscal Year beginning on October 1 and ending on September 30.

**Formula-Based Programs** - Programs that provide direct allocations (grants) to states, cities, and urban counties based on specific factors, such as total population count, number of persons with incomes below the poverty line, and housing conditions.

**Grantee** - A state, metropolitan city, or urban county that receives an annual formula-based allocation directly from HUD under its CDBG, ESG and/or HOPWA programs. For the purpose of Community 2020, HOME-participating jurisdictions are also considered grantees.

**HOME Community Housing Development Organization (CHDO)** - A private, locally-based housing development organization with federal tax-exempt status. A HOME-participating jurisdiction must invest not less than 15 percent of its HOME funds in CHDO housing activities.

**HOME Consortium** - A group of units of general local government geographically linked and joined as a participating jurisdiction for the purpose of obtaining and sharing an allocation of HOME funds.

**HOME Fair Market Rents (FMRs)** - Rents established under the Section 8 Existing Housing Program that represent approximately the 45th percentile of standard housing occupied by recent movers. FMRs are published annually in the Federal Register and are established for each area of the country.

**HOME Investment Partnership Program** - A formula-based program that provides allocations to states and units of general local governments, known as participating jurisdictions. Its purpose is to retain and expand the supply of affordable housing principally for low- and very-low-income families through housing rehabilitation, new construction, first-time home buyer financing, and rental assistance.

**HOME Subrecipient** - A public agency or nonprofit organization selected by the participating jurisdiction to administer all or part of the participating jurisdiction's HOME program.

**Homeless Programs Category** - A category that allows for the construction, conversion, renovation, or rehabilitation of shelters for the homeless. Also eligible are activities that provide for transitional housing and single-room occupancy units for the homeless. See HUD Activity Categories.

**Hope VI Program** - The HOPE VI Program was created for the purpose of revitalizing severely distressed or obsolete public housing developments. The activities in the program include funding of the capital costs of major reconstruction, rehabilitation and other physical improvements, the provision of replacement housing, management improvements, planning and technical assistance, and implementation of community service programs and supportive services or the planning of such activities. Funds are distributed to Public Housing Authorities (PHA) based upon a selection process in which interested PHAs must specify the activities they would undertake upon selection.

**Household** - All the persons who are the occupants of a housing unit. The Census Bureau defines occupants as a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

**Housing Assistance Needs** - Housing assistance needs are determined in two ways. A household in need of housing assistance is either: (1) living in a deteriorated housing unit; or (2) spending more than 30 percent of its income on housing. Both needs are subject to careful, identical and verifiable criterion. To be counted as having a housing assistance need, household earnings must be less than 80 percent of the median family income of the county, adjusted for household size.

**Housing Category** - A category that includes activities that retain and expand safe and decent affordable housing for both owner and tenant-occupied units (e.g., housing acquisition and disposition; minor and major housing rehabilitation of single- and multi-unit properties; and new construction). See HUD Activity Categories.

**Housing Activities** - Activities carried out for the purpose of providing or improving permanent residential structures that, upon completion, low- and moderate-income households will occupy. See CDBG Low- and Moderate-Income Designated Activities.

**Housing Opportunities for Persons with AIDS/HIV (HOPWA)** - A grant program that addresses the needs of persons living with HIV or AIDS and their families.

**HUD** - CDBG funds are provided to entitlement communities through the U.S. Department of Housing and Urban Development (HUD). HUD established the regulations and requirements for the program and has oversight responsibilities for the use of CDBG funds.

**HUD Activity Categories** - Categories of activities that may be assisted with CDBG, HOME, ESG and HOPWA funds. The categories are Anti-Crime Program, Economic Development, Homeless Programs, Housing, Infrastructure, Other, Planning and Administration, Public Facilities, Public Services, Senior Programs, and Youth Programs.

**Income** - For the purposes of HUD programs, income is either measured for families or households:

- 1) Household income includes the income of the householder and any person in the household 15 years of age and over, whether related to the householder or not.
- 2) Family income refers to the income of persons 15 years of age and older, related by birth, marriage or adoption, who reside together.

**Income Groups** - The following income groups refer to the households, families, and persons who are eligible CDBG and HOME beneficiaries because their annual incomes are below the Area Median Income. These income groups also include the two additional income levels added to the Consolidated Plan's list of income definitions: Extremely Low-Income, Very Low-Income, Low-Income, Low- and Moderate-Income, Middle Income, and Moderate-Income.

**Infrastructure Category** - A category that includes water/sewer improvement activities, such as the replacement of water lines and sanitary and storm sewers. This category also allows a grantee to undertake street projects that may include the installation of street lights, street drains, curbs, and gutters. See HUD Activity Categories.

**Job Creation or Retention Activities** - Activities that are eligible because they will create or retain permanent jobs, where at least 51 percent of the full-time jobs employ low- and moderate-income persons. See CDBG Low- and Moderate-Income Designated Activities.

**Joint Venture** - Agreement by two or more parties to work on a project together. A joint venture, which is usually limited to one project, differs from a PARTNERSHIP, which forms the basis for cooperation on many projects.

**Limited Clientele Activities** - Activities that benefit a "limited clientele," such as abused children and spouses, homeless persons, and persons living with AIDS. See CDBG Low- and Moderate-Income Designated Activities.

**Local Development Corporation** - A local development corporation is an entity organized pursuant to Title VII of the Head Start, Economic Opportunity, and Community Partnership Act of 1974 (42 U.S.C. 2981) or the Community Economic Development Act of 1981 (42 U.S.C. 9801 *et. seq.*); or an entity eligible for assistance under Section 502 or 503 of the Small Business Investment Act of 1958 (15 U.S.C. 696)

**Low- and Moderate-Income Area** - An area where 51% or more of the residents have incomes that do not exceed 80 percent of the Area Median Income. There are exception communities where less than 51% of the residents have incomes at or below 80 percent of the Area Median Income.

**Low and Moderate Income Persons/Households** - Persons/households are considered to be low and moderate income if their income is less than 80 percent of the median family income for the county, adjusted for household size.

**Low-Income** - (1) As defined by the CDBG program, a household or a person whose annual income is 50% or less than the Area Median Income. (2) As defined by the HOME program, a family whose annual income does not exceed 80 percent of the Area Median Income.

**Median Household Income** - The exact middle of a range of household incomes. The Census Bureau defines household incomes as incomes of persons 15 years of age and over residing together, whether related or not. A household may consist of one person only.

**Memorandum of Understanding (MOU)** - A legally binding agreement between two (2) or more parties consenting to adhere to the conditions and terms of an event, grant, monetary or in-kind exchange of services.

**Metropolitan Cities** - Central cities of metropolitan areas, other metropolitan area cities with a population of 50,000 or more, and cities that retain their metropolitan area status because of their previously-qualifying designation.

**Microenterprise** - A business that has five or fewer employees, one or more of whom owns the enterprise.

**Middle Income** - As defined in the Consolidated Plan, a family whose income is between 80 percent and 95 percent of the Area Median Income. See Income Groups.

**Moderate-Income Household/Family** - A household/family having an income equal to or less than the Section 8 Low Income limit established by HUD but greater than the Section 8 Very Low Income limit established by HUD.

**Moderate Rehabilitation Program** - This component of the Section 8 Program provides both rental subsidies and funds for limited rehabilitation of the units. Landlords are selected for this program competitively, and must make rehabilitated units available for very low-income Section 8 certificates for a minimum of 10 years. See Section 8 and Very Low-Income.

**Modernization** - HUD provides annual funds to Public Housing Authorities (PHA) for both physical improvements to the units and management improvements. The program requirements differ, depending on the size of the housing authority. Small PHAs, those with fewer than 250 units, receive funds and must operate under the conditions of the Comprehensive Improvement Assistance Program (CIAP). Large PHAs, those with more than 250 units, operate under the Comprehensive Grant Program. See Comprehensive Improvement Assistance Program (CIAP) and Comprehensive Grant Program.

**Neighborhood Based** - A neighborhood-based organization is an association or corporation, duly organized to promote and undertake community development activities on a not-for-profit basis within a neighborhood. An organization is considered to be neighborhood-based if the majority of either its membership, clientele, or governing body are residents of the neighborhood where activities assisted with CDBG funds are to be carried out.

**Other Category** - A category that includes unprogrammed funds, which are funds that have not been programmed for use. See HUD Activity Categories.

**Outreach** - Outreach is a service approach which relies on the provider making the effort to find or go to the client, rather than the client having to find or go to the provider. Outreach involves extending services or activities to clients or potential clients by reaching out and increasing access for clients who otherwise might be unfamiliar with or unable to use such services or activities. For example, an emergency shelter for homeless might offer an outreach activity by dispatching workers to locations where homeless clients or potential clients might be found (e.g., selected parks and streets), and then offer information, linkage, counseling, transportation to a shelter or other service to such a client. Also, the extent or length of reach out; specifically, the extent of an organization's involvement in the community. Any program designed to extend services to those not usually accommodated by or included within an organization.

**Overcrowded Housing** - Housing in which the number of persons exceeds the number of rooms in a housing unit. When using a ratio of the number of persons living in a housing unit to the number of rooms in that unit, a ratio of 1.0 means that the number of persons and the number of rooms are the same. Any housing where the ratio of rooms to persons exceeds 1.0 is considered overcrowded.

**Participating Jurisdiction** - A state or unit of general local government that HUD has designated as eligible for HOME funds.

**Partnership** - Organization of two or more persons who pool some or all of their money, abilities, and skill in a business and divide profit or loss in predetermined proportions.

**Planning and Administration Category** - A category that allows a grantee to expend funds for various plans, public information, fair housing activities, general management, oversight and coordination of the CDBG Program; it is limited to 20% of the grantee's annual CDBG entitlement.

**Prevention** - A preventive project takes advance measure against something that is likely to occur; it is designed to stop something before it starts. A preventive human service project targets a population with a strong likelihood of experiencing a human service problem (e.g., "at risk" of violence, homelessness, substance abuse, etc.) and provides an activity or service designed to prevent that problem before it occurs. Prevention is distinguished from "treatment," which focuses on activities to modify or remedy an already existing problem.

**Private Non-Profit** - An incorporated charity, or any corporation operated under a policy by which no stockholder or trustee shares in the profits or losses, if any, of the enterprise. There are three types of California non-profit corporations: public benefit, religious and mutual benefit.

**Program** - A broad description covering a logical series of related activities designed to achieve a broad common objective(s) or result.

**Program Income** - Gross income that the grantee, participating jurisdiction, state grant recipient, or subrecipient receives. This income is directly generated from CDBG, HOME, ESG, or HOPWA funds.

**Project Activity** - A specific task necessary to achieve an objective; or a series of proposed activities occurring in a logical sequence, supported by reasonable costs, designed to resolve a particular problem or meet a particular need.



**Public Facilities** - A category that allows grantees to undertake the acquisition, reconstruction, rehabilitation, and installation of public facilities and improvements. Examples of eligible public facilities are neighborhood parks, recreational and parking facilities, and centers for the disabled. Interim assistance may also be given for the repair of streets, sidewalks, or public buildings to arrest their deterioration before any permanent improvements of the facilities are made. See HUD Activity Categories.

**Public/Human Service Activity** - An activity which is: (1) directed toward improving the community's need for public/human services and facilities, including those concerned with employment, crime prevention, child care, etc.; and (2) supportive of physical development activities being carried out in a concentrated manner. Public/human service activities are to be directed at residents of Neighborhood Strategy Areas and may only be incidentally provided to residents outside of these areas. A cap expenditure of 15% of the entire CDBG entitlement may be used for Public/Human Service Activities.

**Recipient** - See grantee.

**Section 8** - A federal rental assistance program which provides a direct housing subsidy to a qualified tenant so that he or she does not pay more than 30 percent of their income for rent. Section 8 is available for new, improved and existing housing units.

**Seniors** - Individuals who are 55 years and older; federal guidelines (62 years of age).

**Senior Programs** - A category that allows grantees to use their funds for activities that provide public services to the elderly, such as Meals on Wheels, and Dial-a-Ride. Funds may also be used for construction and rehabilitation. See HUD Activity Categories.

**Single Room Occupancy (SRO)** - (1) A portion of the Section 8 program that provides rental subsidy funding for efficiency accommodations that are to be occupied by only one person. The units need not but may contain food preparation facilities, sanitary facilities, or both. See Section 8. (2) Housing that consists of a single-room dwelling unit that is the primary residence of its occupant. The unit must contain food preparation and sanitary facilities, if it is a new construction project, conversion of non-residential space, or reconstruction.

**Social Services** - Non-financial supportive aid rendered to individuals and families to help them meet their personal, social, psychological, medical, economic, or other problems which interfere or otherwise prevent them from moving towards self-care, self-support, independent living, and strengthened family life.

**Sole Proprietorship** - Business of financial venture that is carried on by a single person and is not a trust or corporation. A sole owner has unlimited liability.

**Small Business Investor Corporation** - A private enterprise which would provide investment banking-type services to smaller companies which could not normally qualify for this type of financing.

**State** - Any state of the United States, the Commonwealth of Puerto Rico, and in some cases, the District of Columbia.

**State Grant Recipient** - A unit of general local government that receives its CDBG funds from its state's CDBG program.

**Subgrantee** - A unit of general local government that is not eligible to receive direct funding as a HUD formula-based grantee, but is eligible to compete for funds through its state's formula-based grant program.

**Subrecipient** - A public agency, private nonprofit organization, or a for-profit organization that is authorized to receive funds from a grantee or another subrecipient to undertake eligible activities.

**Urban Counties** - Counties that receive an annual allocation of funds under the CDBG program. To be eligible for HUD funding, a county must meet the eligibility criteria for participation, such as extent of poverty, housing conditions, income levels, etc.

**Unit of General Local Government** - A city, town, township, county, parish, village, or other general purpose political subdivision of a state; or a consortium of such political subdivisions recognized by HUD.

**Very Low-Income** - As defined by the HOME program, families whose annual incomes do not exceed 50 percent of the Area Median Income. See Income Groups.

**Youth** - Individuals between the ages of 13 and 17 years.

**Youth Programs** - A category that focuses on the needs of children and teenagers. Activities include the funding of youth centers and facilities, as well as playground and recreation facilities that are part of youth centers. See HUD Activity Categories.

