

# Agenda Report

April 20, 2020

**TO:** Honorable Mayor and City Council

**FROM:** Department of Housing

**SUBJECT:** APPROVE TEMPORARY LICENSE, LIMITED RIGHT OF ENTRY, AND INDEMNITY AGREEMENT WITH SAN GABRIEL VALLEY HABITAT FOR HUMANITY FOR THE CONSTRUCTION OF AN ACCESSORY DWELLING UNIT AND RELATED IMPROVEMENTS ON CITY-OWNED PROPERTY LOCATED AT 268 WAVERLY DRIVE

## **RECOMMENDATION:**

It is recommended that the City Council take the following actions:

- 1) Find and determine under the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.* (herein referred to as "CEQA") that the actions proposed herein are within the class of projects pursuant to Section 15303 of Title 14 of the California Code of Regulations that would not cause a significant effect on the environments and is, therefore, categorically exempt from the provisions of CEQA, and there are no features that distinguish this project from others in the exempt class and therefore there are no unusual circumstances applicable;
- 2) Authorize the City Manager to execute a Temporary License, Limited Right of Entry, and Indemnity Agreement with the San Gabriel Valley Habitat for Humanity for the construction of an accessory dwelling unit on City property located at 268 Waverly Drive.

## **BACKGROUND:**

On August 14, 2019, the City acquired the single-family residence located at 268 Waverly Drive from Caltrans under the State's 710 right-of-way Affordable Sales Program at a purchase price of \$305,813. The purpose of the acquisition is to repair, renovate, and operate the property as permanent shared rental housing for up to three (3) lower acuity single women from Pasadena who are exiting homelessness and have or can obtain a source of income (e.g., social security, minimum wage job, etc.). The

residents will be screened and referred by Union Station Homeless Services, who will also provide the short-term rental subsidy and ongoing services to the residents. Professional property management services will be provided by Fertig & Gordon, Inc., who has experience managing buildings for formerly homeless persons including managing Euclid Villa Apartments (a permanent supportive housing project for formerly homeless families). During this post-purchase period, repairs and renovation to the property are in progress including interior and exterior paint, foundation work, flooring, new doors and windows, chimney and retaining wall repairs, attic insulation, and xeriscape landscaping. Completion of this work scope, which is budgeted at \$50,000 in the current fiscal year, will be necessary prior to occupancy, which is anticipated to occur in May 2020.

However, to make more efficient use of the property for affordable housing, the San Gabriel Valley Habitat for Humanity ("SGV Habitat") has proposed constructing an accessory dwelling unit ("ADU") behind the existing detached garage at its cost, and donating the ADU to the City. The ADU would house an additional single woman or adult couple who are exiting homelessness through the Union Station Homeless Services' Rapid Rehousing Program. The estimated development cost of the ADU (approximately 300 sq. ft. floor area including a kitchen and bathroom) (the "Waverly ADU Project") would total approximately \$192,350. Funding for the Waverly ADU Project construction costs would be provided by SGV Habitat.

In order to effectuate the development of the Waverly ADU Project, the City and SGV Habitat will enter into a Temporary License, Limited Right of Entry, and Indemnity Agreement (the "Agreement") that would allow SGV Habitat to enter onto the City property and build the ADU subject to certain requirements including but not limited to limited right of entry, conditions of entry, insurance, and indemnification. The City's approval of the Agreement would be contingent upon, among other things, SGV Habitat securing grant funding in the amount of at least \$192,350 through the Pasadena Community Foundation ("PCF") by May 31, 2020.

Established as a 501(c)3 nonprofit in 1953, PCF is a publicly supported philanthropic institution that offers grant programs to non-profit agencies throughout Pasadena, Altadena and Sierra Madre. PCF awarded \$5.1 million in grants in 2018 and its current grant initiative is focused on organizations who will provide services for Pasadena's residents who are experiencing homelessness or who are at-risk of becoming homeless. Since the proposed ADU will be part of a shared housing program for persons exiting homelessness, it is anticipated that SGV Habitat's grant application will score competitively.

SGV Habitat is 501(c)3 nonprofit, affordable housing developer incorporated in 1990. To date, SGV Habitat have developed 15 homeownership projects totaling 81 affordable units in the San Gabriel Valley. In addition, they have 30 affordable units in their development pipeline (located in Alhambra, Altadena, Azusa, Baldwin Park, El Monte, Monterey Park, and Pasadena). Under its homeownership and home repair programs,

SGV Habitat have served a total of 215 households throughout the San Gabriel valley. SGV Habitat is a licensed California contractor. Construction of the Waverly ADU Project will be overseen by SGV Habitat's Project Management staff.

**COUNCIL POLICY CONSIDERATION:**

The proposed action is consistent with the City's General Plan - Housing Element and the Five-Year Consolidated Plan. The proposed action supports and promotes the quality of life and the local economy, a goal of the City Council's strategic plan.

**ENVIRONMENTAL ANALYSIS:**

The "New Construction or Conversion of Small Structures" exemption under California Environmental Quality Act ("CEQA") Guidelines Section 15303(a) pertains to projects which meet the following conditions: One single-family residence, or a second dwelling unit in a residential zone. The proposed Waverly ADU Project to be developed is consistent with the exemption pertaining to new construction or conversion of small structures under Section 15303(a) of the California Environmental Quality Act, there are no features that distinguish this project from others in the exempt class and therefore there are no unusual circumstances applicable, and is thereby exempt from CEQA and no further CEQA review is required.

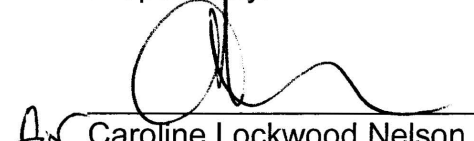
**FISCAL IMPACT:**

This project will not result in any fiscal impact.

Respectfully submitted,

  
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Department of Housing

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Approved by:

  
STEVE MERMELL  
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