

Agenda Report

July 27, 2020

TO: Honorable Mayor and City Council

FROM: Department of Housing

SUBJECT: AUTHORIZATION TO AWARD PROJECT-BASED VOUCHERS FOR PERMANENT SUPPORTIVE HOUSINGS TO BRIDGE HOUSING CORPORATION AND TO THE SALVATION ARMY, AND TO ENTER INTO ASSOCIATED AGREEMENTS TO ENTER INTO A HOUSING ASSISTANCE PAYMENT CONTRACT TO PROVIDE PROJECT-BASED ASSISTANCE

RECOMMENDATION:

It is recommended that the City Council:

- 1) Find that the proposed development of the mixed-use Heritage Square South permanent supportive housing and commercial project at 710-738 N. Fair Oaks Ave. and 19-35 E. Orange Grove Blvd. (the "Heritage Square South" project) is categorically exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) Public Resources Code §21080(b)(9); and California Code of Regulation, Title 14, Division 6, Chapter 3, State CEQA Guidelines §15332, Class 32, In-Fill Development Projects, and that there are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances;
- 2) Find that the proposed development of The Salvation Army Hope Center project consisting of a Charitable Institution land use and permanent supportive housing at 1000 East Walnut Street (the "Pasadena Hope Center" project) has been determined to be statutorily exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act (Public Resources Code §21080(b)(9); Administrative Code, Title 14, Chapter 3, Article 12.5, §15194 (Affordable Housing Exemption). Section 15194 specifically applies to residential housing projects consisting of 100 or fewer units that are affordable to low-income households. One hundred percent of the total units, exclusive of the managers' units, are for lower income households;
- 3) Approve the allocation of sixty-nine (69) Project-Based Vouchers to BRIDGE

Housing Corporation for the Heritage Square South project, and sixty-five (65) Project-Based Vouchers to the Salvation Army for the Pasadena Hope Center project;

- 4) Authorize the City Manager to enter into an Agreement to Enter into a Housing Assistance Payments Contract, as the result of a competitive selection process, as specified by Section 4.08.047 of the Pasadena Municipal Code, with BRIDGE Housing to provide sixty-nine (69) Project-Based Vouchers in the estimated amount of \$1,193,148 annually, for permanent supportive housing for homeless seniors, for a contract period of 20 years with the option to extend for an additional 20 years; and
- 5) Authorize the City Manager to enter into an Agreement to Enter into a Housing Assistance Payments Contract, as the result of a competitive selection process, as specified by Section 4.08.047 of the Pasadena Municipal Code, with The Salvation Army to provide sixty-five (65) Project-Based Vouchers in the estimated amount of \$948,480 annually, for permanent supportive housing for homeless individuals for a contract period of 20 years with the option to extend for an additional 20 years.

BACKGROUND:

The City of Pasadena Housing Department issued a Request for Proposals (RFP) on May 11, 2020 to allocate up to 138 Project-Based rental assistance Vouchers (PBVs) with funding provided by the U.S. Department of Housing & Urban Development (HUD) to permanent supportive housing (PSH) projects. Through the Planet Bids platform, 2,040 vendors were informed of the RFP, 23 downloaded the RFP, and two submitted proposals. Both of the two entities that submitted proposals, BRIDGE Housing Corporation and The Salvation Army, were eligible applicants whose proposals met threshold and were thus reviewed by the RFP review panel which consisted of Housing Department staff (Housing Assistance Officer and Senior Project Manager).

The proposals were evaluated and scored based on the criteria outlined in the RFP as follows:

Category	Max Pts
Experience/Administrative Capacity	20
Design/Need/Community Impact	15
Site Control/Entitlements/Readiness	15
Project Stability & Sustainability Financial	15
Supportive Services Plan	15
Management Plan	15
Local Pasadena Business	5
Small or Micro Business (5 pts)	5
Total	105

Through the proposal review, BRIDGE Housing scored 84 points and The Salvation Army scored 86 points, and both proposals are recommended for award of PBVs.

BRIDGE Housing's proposal for Heritage Square South will provide 69 1-bedroom units of PSH for homeless seniors, plus a manager's unit. Supportive services will be provided on-site by Union Station Homeless Services and property management will be provided by John Stewart Company. Both of these entities have considerable experience, respectively, of providing supportive services for persons living in PSH and property management for PSH and affordable housing. BRIDGE Housing developed the Heritage Square Apartments senior housing complex, directly to the north of the proposed site, and John Stewart Company is currently providing property management services there.

Homeless seniors are a growing segment of the City of Pasadena's homeless population, with the number increasing 27% since 2019. Older adults aged 55 and up make up 30% of Pasadena's homeless population, totaling 158 persons. PSH for this population is an unmet need which the Heritage Square South project would begin to address.

The Salvation Army proposes 65 studio units for homeless single adults, and a one-bedroom manager's unit. Supportive services will be provided on-site by the Salvation Army and property management will be provided by John Stewart Company. Sixteen of the units will be set aside for homeless veterans and will utilize the City's VASH vouchers which are specifically allocated for veterans experiencing homelessness. In the 2020 Pasadena Homeless Count, veterans made up 7% of those counted, totaling 38 persons.

The vast majority of people experiencing homelessness in Pasadena are single individuals without children, totaling approximately 95% of Pasadena's homeless population on any given night. Housing for this population remains a persistent need, which both Heritage Square South and the Pasadena Hope Center would address.

COUNCIL POLICY CONSIDERATION:

Approval of the subject recommendation will create affordable permanent supportive housing for approximately 134 individuals who have experienced homelessness, including 16 veterans, with onsite services. The proposed recommendation is in accordance with the approved General Plan Housing Element, Five-Year Consolidated Plan, and Five-Year Public Housing Authority Plan.

ENVIRONMENTAL ANALYSIS:

Heritage Square South

The State California Environmental Quality Act (CEQA) Guidelines require the preparation of environmental documents to assess and report the environmental impacts of certain types of projects that could result in adverse effects on the environment. Pursuant to CEQA Section 21084, the CEQA Guidelines (Section 15300 et seq.) also define classes of projects that are found by the Secretary of the California Natural Resources Agency to not have a significant effect on the environment and thus are declared to be categorically exempt from the requirement for the preparation of environmental documents. These types of projects are exempt from CEQA, provided that none of the exceptions to the use of categorical exemptions apply (CEQA Guidelines Section 15300.2).

Among the list of categorically exempt classes of projects is Class 32 In-Fill Development Projects, as defined in CEQA Guidelines Section 15332. Class 32 projects consist of those characterized as infill development meeting the following conditions identified in Section 15332:

- a) the project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations;
- b) the proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses;
- c) the project site has no habitat for endangered, rare, or threatened species;
- d) approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and
- e) the site can be adequately served by all required utilities and public services.

The proposed development of the Heritage Square South project at 710-738 N. Fair Oaks Avenue and 19-35 E. Orange Grove Blvd (the "Project") meets the requirements of Class 32 exemption, as it meets the definition of infill development; would be consistent with the applicable General Plan designation and all applicable General Plan policies as well as with the applicable zoning designation and regulations; occurs within City limits on a Project Site of no more than 5 acres substantially surrounded by urban uses; would be located on a site that has no habitat for endangered, rare, or threatened species; would not result in any significant effects relating to traffic, noise, air quality, or

water quality; and could be adequately served by all required utilities and public services. Further, none of the exceptions to the use of a categorical exemption apply to the Project. Therefore, the proposed Project does not have a significant effect on the environment and has been determined to be categorically exempt under Class 32 (In-Fill Development Projects), Section 15332 of the CEQA Guidelines. The Class 32 Categorical Exemption Evaluation Report is attached to this agenda report.

Pasadena Hope Center

This project has been determined to be statutorily exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act (Public Resources Code §21080(b)(9); Administrative Code, Title 14, Chapter 3, Article 12.5, §15194 (Affordable Housing Exemption). Section 15194 specifically applies to residential housing projects consisting of 100 or fewer units that are affordable to low-income households. As proposed, all of the units, exclusive of the managers' units, are for lower income households. The building, and the Charitable Institution land use proposed on the ground floor, meets Article 12.5's definition of "Residential" (Section 15191(l) of the CEQA Guidelines), as it consists of residential units and primarily neighborhood serving goods, services, or retail uses that do not exceed 15 percent of the total floor area of the project. In this instance, the 7,549-square-foot nonresidential component of the building would be used for a Charitable Institution use, a neighborhood-serving service use, and comprises 14.6 percent of the total Project floor area.

The City's Department of Transportation (DOT) determined that a Traffic Impact Analysis was required for the Charitable Institution use, as part of the new building for the 68 SRO units to be utilized for supportive housing. The study evaluated the effect the project would have on existing neighborhood traffic volumes along access and neighborhood collector street segments and intersections within the vicinity of the project, and evaluated the existing Pedestrian Environmental Quality Index (PEQI) and Bicycle Environmental Quality Index (BEQI) along key corridors within the vicinity of the project.

In addition, because the Charitable Institution use is proposed in a building that would contain a more than 50 residential units, DOT also conducted a separate analysis (referred to as the CEQA Evaluation) of the City's five vehicular and multimodal performance measures that assess accessibility of different modes of travel when evaluating a project's impact, as well as the project's transportation impact to its community using adopted transportation performance measures that relate to vehicle miles traveled (VMT), vehicle trips (VT), proximity and quality of the bicycle network, proximity and quality of the transit network, and pedestrian accessibility.

The analyses determined that the project is not expected to exceed adopted street segment and intersection caps, and that the project would not cause a significant impact. Furthermore, the pedestrian environment received an indicator score, at minimum, of "average"; no conditions of approval are required when the score is "average" or higher. The bicycle environment received an indicator score of "low". To

improve the bicycle environment, the Department of Transportation included a Condition of Approval to not allow any driveways along the Walnut Street frontage.

The analyses determined that the project's incremental VMT per capita change does not exceed the adopted threshold of significance under the VMT per capita of 22.6.

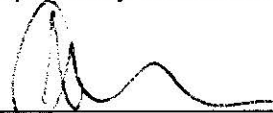
Therefore, the project does not cause any significant impacts as it relates to VMT.

Additionally, the project's incremental VT per capita does not exceed the adopted threshold of significance under the VT per capita of 2.8. Thus, the project does not cause any significant impacts as it relates to VT. It was also determined that the project increases the service population access to transit and maintains the service population access to bike facilities. Therefore, the project does not cause a significant impact on the existing bicycle network or access to transit facilities. Furthermore, the DOT found that the proposed project does not exceed any of the CEQA thresholds outlined in the City's transportation guidelines. The Statutory Exemption Evaluation Report is attached to this agenda report.

FISCAL IMPACT:

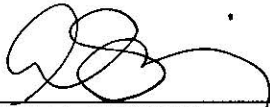
There is no fiscal impact in the current fiscal year as a result of this action and there will be no indirect or support cost requirements. The Hope Center and Heritage Square South projects are anticipated to be completed and placed into service in FY 2023 and FY 2024, respectively. The estimated annual allocations of PBV rental subsidies to be provided for the Hope Center and Heritage Square South projects are \$948,480 and \$1,193,148, respectively. The PBV allocations for these two projects will be drawn from the rental assistance program revenue and appropriations that are programmed in the Department of Housing's adopted annual operating budget.

Respectfully submitted,



 WILLIAM K. HUANG
Housing Director

Prepared by:



ANNE LANSING
Housing Assistance Officer

Approved by:



STEVE MERMELL
City Manager

Attachments:

Class 32 Categorical Exemption Evaluation Report - Heritage Square South Project
Article 12.5 Statutory Exemption Evaluation Report - Hope Center Project