

Agenda Report

September 13, 2021

TO: Honorable Mayor and City Council

FROM: Department of Housing

SUBJECT: AUTHORIZATION TO EXTEND A HOUSING ASSISTANCE PAYMENTS CONTRACT WITH ORANGE GROVE GARDENS LIMITED PARTNERSHIP TO PROVIDE PROJECT-BASED VOUCHERS FOR AFFORDABLE FAMILY HOUSING AT 252 E. ORANGE GROVE BOULEVARD

RECOMMENDATION:

It is recommended that the City Council:

- 1) Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b)(3), the "common sense" provision that CEQA only applies to projects that may have a significant effect on the environment; and
- 2) Authorize the City of Pasadena to extend Agreement CDC-582 with Orange Grove Gardens Limited Partnership for a period of ten years to continue to provide nine Project-Based Vouchers for affordable housing for families; and
- 3) Authorize the City Manager to execute, and the City Clerk to attest, all related documents, agreements and amendments.

BACKGROUND:

The Pasadena Community Development Commission (PCDC) issued a Request for Proposals in April 2003 to allocate Project-Based rental assistance Vouchers (PBVs) with funding provided by the U.S. Department of Housing & Urban Development (HUD) to affordable housing projects. Through this process, PBVs for nine (9) units were awarded to Orange Grove Gardens Limited Partnership, which entered into a ten-year Housing Assistance Payment Contract (Agreement No. CDC-582) with the PCDC dated July 1, 2006, which expired on June 30, 2016. Agreement No. CDC-582 was extended for a five-year period (City Agreement 22,606), and expired on June 30, 2021. Federal regulations in effect at the time of the first extension allowed for four additional five-year

extensions after the initial term. Current regulations as stated in PIH-2017-21 Attachment G (3) allow for an extension of any length up to a maximum of twenty years. Upon Council authorization, the City intends to enter into a ten-year extension of the contract, with the ability to extend for an additional five years at the City's sole discretion and subject to availability and conditions as required by HUD. In accordance with the Housing Assistance Payment Contract, Orange Grove Gardens requested this additional extension of contract term prior to the expiration date of the extension contract.

Orange Grove Gardens, the housing project funded through this PBV contract, located at 252 E. Orange Grove Boulevard, provides affordable housing to 38 low-income families. Nine of these units are designated as PBV units. The additional 27 units are affordable through tax-credit and City deed restriction.

COUNCIL POLICY CONSIDERATION:

Approval of the subject recommendation will allow the continued provision of affordable housing for nine low-income families. 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:

The action proposed herein is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "common sense" provision of CEQA which applies to projects which may have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The entering into a contract for PBV funding will not have a significant effect on the environment and, hence, is not subject to CEQA.

FISCAL IMPACT:

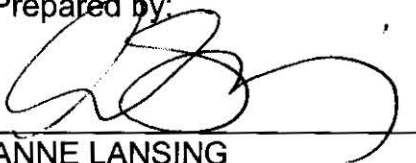
There is no fiscal impact as a result of this action and there will be no indirect or support cost requirements. The rental assistance program revenue and expenses (from which PBV expenses draw) for the contract period of July 1, 2021 through June 30, 2022 are included in the Department of Housing's adopted FY 2022 operating budget.

Respectfully submitted,



for WILLIAM K. HUANG
Housing Director

Prepared by:



ANNE LANSING
Housing Assistance Officer

Approved by:



STEVE MERMELL
City Manager