



City Manager – Economic Development Division

**ADOPT A RESOLUTION DECLARING THE REAL  
PROPERTY COMMONLY KNOWN AS 450 NORTH LAKE  
AVENUE (FORMER KAISER SITE) LOCATED IN THE CITY  
OF PASADENA, COUNTY OF LOS ANGELES, STATE OF  
CALIFORNIA AS SURPLUS LAND PURSUANT TO THE  
STATE SURPLUS LAND ACT**

July 8, 2024





# Background

City Manager – Economic Development Division

- **October 2, 2023:** Council authorized the City Manager to execute a Purchase and Sale Agreement to acquire property at 434-470 North Lake Avenue (Property)
- **November 2023:** Escrow closed, the Property is owned by the City of Pasadena
- Located at the southeast corner of North Lake Avenue and Villa Street
- Consists of three, one-story medical/office buildings with a combined area of 24,871 SF





# Subject to SLA

City Manager – Economic Development Division

- The disposition of the Site is subject to the SLA
- These steps include:
  - > Adopt a resolution on declaring the real property at 434-470 North Lake Ave as Surplus Land,
  - > Issuance of a Notice of Availability (60 days) and,
  - > Negotiate with respondents in good faith in an attempt to reach an agreement on price and terms (90 days)
  - > City is not obligated to sell if an agreement is not reached on price and terms
  - > If a subsequent development agreement is reached outside of the SLA process, then, a 15% affordability covenant is triggered if 10 or more residential units are built



# Staff Recommends

City Manager – Economic Development Division

1. Find that adopting the proposed Resolution is exempt from the California Environmental Quality Act (CEQA) per Section 15061 (b)(3) (common sense exemption) and State CEQA Guidelines Section 15312 (surplus government property sales); and
2. Adopt a Resolution declaring that Real Property owned by the City of Pasadena located in the City of Pasadena at 434-470 North Lake Avenue and identified as APN 5732-017- 017 and 5732-017-018 (Property), as Surplus Land pursuant to the Surplus Land Act, and taking related actions.



# End of Presentation

City Manager – Economic Development Division



# Applicable SLA Exemptions

City Manager – Economic Development Division

## **1. Gov. Code Section 54221, subdivision (f)(1)(A):**

- At least 80% of the area of any parcel of property disposed of pursuant to this section shall be used for development of housing
- At least 40% of the total number of those housing units developed on any parcel shall be affordable to households whose incomes are equal to, or less than, 75% of the maximum income of lower income households, and at least half of which shall be affordable to very low income households.



# Applicable SLA Exemptions Cont'd

City Manager – Economic Development Division

2. **Gov. Code Section 54221, subdivision (f)(1)(F)(i) or (ii):** Surplus land that is put out to open, competitive bid by a local agency
  - i. A housing development, which may have ancillary commercial ground floor uses, that restricts 100% of the residential units to persons and families of low or moderate income, with at least 75% of the residential units restricted to lower income households for a minimum of 55 years for rental housing and 45 years for ownership housing, and in no event shall the maximum affordable sales price or rent level be higher than 20% below the median market rents or sales prices for the neighborhood
  - ii. A mixed-use development that is more than one acre in area, that includes at least 300 housing units, and that restricts at least 25% of the residential units to lower income households for a minimum of 55 years for rental housing and 45 years for ownership housing.



# Area Median Income Limits

City Manager – Economic Development Division

## CITY OF PASADENA INCOME AND RENT LIMITS

**Applicable to Affordable Units in Density Bonus Projects  
that are subject to State income and affordable rent restrictions**

### INCOME LIMITS

*(published by State of California HCD, effective May 9, 2024)*

Household Size	Median Income	Very Low Income	Low Income	Moderate Income (120% median)
1	\$68,750	\$48,550	\$77,700	\$82,500
2	\$78,550	\$55,450	\$88,800	\$94,300
3	\$88,400	\$62,400	\$99,900	\$106,050
4	\$98,200	\$69,350	\$110,950	\$117,850
5	\$106,050	\$74,900	\$119,850	\$127,300
6	\$113,900	\$80,450	\$128,750	\$136,700
7	\$121,750	\$86,000	\$137,600	\$146,150
8	\$129,600	\$91,550	\$146,500	\$155,550

Area Median Income for Los Angeles County is **\$98.200** for a family of 4.





# Area Median Income Limits Cont'd

City Manager – Economic Development Division

## AFFORDABLE RENT LIMITS

*(effective May 9, 2024)*

Bedroom Size	Very Low Income	Low Income	Moderate Income	Utility Allowance*
0-Studio	\$859	\$1,031	\$1,890	Contact City
1	\$981	\$1,178	\$2,160	Contact City
2	\$1,105	\$1,326	\$2,431	Contact City
3	\$1,227	\$1,473	\$2,700	Contact City
4	\$1,325	\$1,590	\$2,916	Contact City

\*A monthly Utility Allowance amount, which is based on tenant-paid utilities, should be deducted from the Inclusionary Unit Rent Limit, to determine the actual contract rent amount. Please request Utility Allowance schedules from the City Housing Department to calculate the applicable Utility Allowance amount for each restricted unit.

### Affordable Rent formulas per State Government Code Section 50053

Very Low Income rent = 30% of 50% of AMI adjusted for household size appropriate to the unit.

Low Income rent = 30% of 60% of AMI adjusted for household size appropriate to the unit.

Moderate Income rent = 30% of 110% of AMI adjusted for household size appropriate to the unit.

### Annual Adjustment of Inclusionary Unit Income and Rent Limits

The income and rent limits above will be adjusted on an annual basis in accordance with changes in the Los Angeles County Area Median Income level, as published by the State of California Department of Housing and Community Development.



# Timeline

City Manager – Economic Development Division

- **October 2, 2023**: Council authorized the City Manager to execute a Purchase and Sale Agreement to acquire property at 434-470 North Lake Avenue (Property)
- **November 2023**: Escrow closed, the Property is owned by the City of Pasadena
- **March 19, 2024**: Request for Information (RFI) released seeking responses from highly qualified development firms for the design, planning, financing, and development of the Property
- **April 3, 2024**: Staff hosted an optional site walkthrough for interested parties
- **April 9, 2024**: Question submission deadline
- **April 23, 2024**: Proposal submission deadline. Nine (9) groups submitted



# Project Goals and Objectives

City Manager – Economic Development Division

- Property is to act as a hub for a mixed-use development that includes housing, office space, and neighborhood-serving retail
- Presents an opportunity to improve the overall economic vitality of the City and be a catalytic site, exemplifying the objectives of the North Lake Specific Plan (NLSP)
- The project must comply with the NLSP and General Plan rules
- It is anticipated that the final NLSP will be adopted by end of 2024, and NLSP rules will be in place ahead of physical development of the site



# Project Goals and Objectives Cont'd

City Manager – Economic Development Division

- RFI purpose was to gauge the interest of the affordable housing development community. It did not *require* proposals to include 100% affordable housing
- With guidance from California Department of Housing & Community Development (HCD), per Surplus Land Act (SLA) rules, RFI was sent to affordable housing developers and others known to the City
- No market-rate housing proposals were received
- All proposed projects rely on state, federal and/or other funding



# RFI Evaluation Components

City Manager – Economic Development Division

- **Company Information**

- Cover letter including the name and address of the organization
- Management approach and identification of key individuals involved in the project
- Why the firm would be uniquely positioned to deliver on this project successfully

- **Project Experience**

- Minimum of three recent projects that demonstrate the qualifications and experience relevant to this opportunity
- Case studies, project summaries, or references related to comparable developments, including a summary of the current status of each project
- Emphasis on experience delivering projects in the City of Pasadena

- **Project Narrative**

- Preliminary approach to design and planning in collaboration with public stakeholders
- Include experience with this type of development objective, as well as its operations and financing approach



# Proposing Firms (alphabetical)

City Manager – Economic Development Division

1. **BRIDGE Housing Corporation**
  - San Francisco, CA
2. **Community Builders Group (CBG)**
  - Pasadena, CA
3. **Cypress Equity Investments LLC (CEI)**
  - Dallas, TX
4. **Clifford Beers Housing (aka Holos) and Heritage Housing Partners (HHP)**
  - Holos: North Hollywood, HHP: Pasadena - CA
5. **LAFHBUILDS**
  - North Hollywood, CA
6. **Mercy Housing California**
  - Los Angeles, CA
7. **The Urban Coalition**
  - Desert Hot Springs
8. **USA Properties (USA), CA and Waterford Company (Waterford)**
  - USA: Roseville, Waterford: Newport Beach, CA
9. **West Hollywood Community Housing Corporation (WHCHC)**
  - West Hollywood, CA



# Clifford Beers (Holos) & Heritage Housing Partners

City Manager – Economic Development Division

## 1. Company Information

- Over 40 years of combined experience
- Provide affordable homeownership, preservation of historic homes, and construction of new, contextually sensitive residences
- Charles Loveman: Heritage Housing

## 2. Project Narrative

- Housing:
  - 160-200 units
  - 50% affordable rental between 30-80% area median income (AMI)
  - 50% affordable homeownership between 50-150% AMI
  - At least 85% of the renters and first-time homebuyers will live and/or work in Pasadena
- Sustainability: Strive for net-zero operations
- Parking: On-site for a portion of the units, long and short-term bike parking
- Financing: New Markets Tax Credits (NMTC), long-term loans, pre-sale of spaces

## 3. Project Experience

- Lincoln at Orange Grove: 48 units (22 low, 13 moderate, 8 workforce, 5 market)
  - Retail: 6,659 SF, Commercial: 2,500 SF

PASADENA



### 1. Company Information

- 40 years experience
- Project Team: Onyx Architects & The Arroyo Group (urban planning)

### 2. Project Narrative

- Housing:
  - 166 Units at 30-60% AMI
  - Mix of permanent supportive housing and affordable housing
- Office:
  - 14,000 SF office space, 2,000 of which LAFH plans to utilize for resident supportive services (would seriously consider utilizing the entire office space)
- Green space: Public-facing pocket park
- Parking: 90 stalls in a one level, on-grade garage accessed from Mentor
- Financing: Low Income Housing Tax Credit (LIHTC), Affordable Housing & Sustainable Communities (AHSC), City, County, Federal loan, rental subsidies, bond financing, 7% permanent loan
- City Payment: Plans to pay ground lease to City up front

### 3. Project Experience

- The Campus: 50 supportive units in North Hollywood with 45 parking stalls
  - Commercial: 6,500 SF health center, 19,500 SF nonprofit office, 67 parking stalls





### 1. Company Information

- Nearly 40 years experience
- One California's largest affordable housing developers in terms of staff, budget, and units constructed

### 2. Project Narrative

- Housing:
  - Up to 200 units at 30-80% AMI
  - 3 stories (approx. 70 units per floor)
- Retail: Structure the development as an air rights parcel, identify tenant before development begins
- Parking: Will conduct needs assessment, anticipates podium parking below housing
- Financing: LIHTC and conventional debt
- Operations: Resident services offered on-site that focus on: Health and Wellness, Education, Financial/Housing Stability, and Community Engagement

### 3. Project Experience

- Grand & Vince, Los Angeles: 62 units at 30-60% AMI
  - 4,000 SF office, 3,500 SF daycare, and a parking structure



# West Hollywood Community Housing Corporation

## City Manager – Economic Development Division

### 1. Company Information

- Over 37 years experience developing and operating high-quality housing in small jurisdictions with affluent and vocal constituencies
- Architect: Tyler+Kelly Architecture

### 2. Project Narrative

- Housing:
  - 224 affordable units at 30-80% AMI
    - 110 1-bedroom units, 59 2-bedroom units, 55 2-bedroom units
- Retail: Ground floor café, artisan shops, fitness studio, and art gallery
- Office: 2<sup>nd</sup> floor co-working space. A portion dedicated to staff offering technical assistance and start-up capital for local businesses
- Parking: Submerged under a podium or subterranean garage
- Financing: NMTC, AHSC, additional financing from L.A. County Development Authority (LACDA)

### 3. Project Experience

- Elden Elms & Westmore Linden, Los Angeles: 186 units
  - 93 affordable at 15-60% AMI
  - 100 parking spaces, 103 bike parking spaces



# BRIDGE Housing Corporation

City Manager – Economic Development Division

## 1. Company Information

- 40 years experience
- Over 8,000 homes in 63 properties currently in development

## 2. Project Narrative

- Housing:
  - Workforce housing at 50-100% AMI
  - Including teachers, nurses, and city employees
  - Mix of 1-, 2-, and 3-bedroom units
- Office: Ground floor office spaces
- Financing: Explore LIHTC, affordable housing grants, and other subsidies
- Operations: In-house property management

## 3. Project Experience

- Heritage Square South: 69 supportive units, 1 manager unit
- Heritage Square Senior: 70 senior affordable units



# Community Builders Group

City Manager – Economic Development Division

## 1. Company Information

- Pasadena-based firm with 25 years experience in real estate

## 2. Project Narrative

- Offered the adjoining site with 13,351 SF office building
- Housing: Challenge to meet a maximum density of 87 units/acre
- Retail: Food, retail, medical, and health service components
- Office: Flexibility to provide services or office space immediately or phased as part of the larger development
- Parking: Ground/basement level and screened
- Financing: Tax-exempt bonds awarded by the state agency CDLAC, federal and state tax credits
- Operations: Engage a third-party management company

## 3. Project Experience

- Pasadena Studios: 181 micro units and 1 one-bedroom manager unit, 24 parking spaces



# CEI, Urban Coalition, USA Properties

## City Manager – Economic Development Division

### 1. **Cypress Equity Investments LLC**

- 20 years experience
- Purchased or developed over 2,500 affordable multifamily units with assets valued over \$300M
- Seeking LEED Gold certification on all new projects
- Related Project: Catherine Santa Monica

### 2. **The Urban Coalition**

- Extensive experience in the housing, including Cynthia Parker, former CEO of BRIDGE Housing
- Partner with SVA Architects
- Housing: Up to 200 units based on maximum density under the guidance of the City
- Related Project: Downtown Revitalization, Coachella (three phases)
  - Residential: (A) 105 units, (B) 108 units, (C) 53 units
  - Retail: (A) 3,766 SF, (B) 4,330 SF, (C) 4,742 SF.

### 3. **USA Properties Fund Inc. and Waterford Property Company**

- Developed over 16,000 units
- Partner with SVA Architects
- Housing: Upper levels will include multifamily housing
- Related Project: 8181 Allison, LA Mesa CA - 147 Units: affordable/general occupancy