



Housing Department

***Centennial Place
235 E. Holly Street***

City Council
September 23, 2024





Background

Housing Department

- Abode Communities owns Centennial Place, a 142-unit single-room occupancy building built in 1910 as a YMCA SRO hotel
- Operated as low-income affordable housing from 1989-2009, and converted in 2010 to permanent supportive housing (PSH) for homeless persons
- The historic SRO property is not working as PSH:
 - Residents in substandard living conditions w/ significant housekeeping issues
 - Level of intensive case mgmt services is insufficient for the large number of high-need residents
 - Operations are financially unsustainable



Plan Objectives

Housing Department

- Resolve substandard housing condition for existing residents, particularly those who need intensive case management services (ICMS)
 - > Cease new move-ins
 - > Attrition through voluntarily PSH to PSH transfers for qualified and willing ICMS tenants
 - > Increase security
 - > Establish joint housing and code enforcement annual inspections with appropriate follow-up measures



Plan Objectives

Housing Department

- Preserve 142 units of existing affordable housing
 - > Continue best practice of preserving and extending the useful life of older affordable housing units.
- Increase housing available for very low-income seniors who are inherently at-risk of falling into homelessness
 - > 28% of Pasadena's annual homeless count were age 55 yrs and older



Rehab and Transition Plan

Housing Department

Three-Point Plan (documented with a Memorandum of Understanding and secured with City loan and regulatory agreements)

- **Physical Improvements**
 - > \$21M including contingency (\$18M state funds and \$3M City funds)
 - > Phased occupied rehab
- **Programmatic Transition - Tenancy Change**
 - > City-approved management plan for current PSH operation
 - > Suspension of new move-ins
 - > Attrition of existing ICMS tenants through voluntary PSH to PSH transfers
 - > Post-rehab tenants will be very-low-income seniors without CES involvement
- **Ownership and Management Change**
 - > Best effort post-rehab to transfer property from Abode Communities to a City-approved affordable housing owner-operator



Rehab and Transition Status

Housing Department

Funding

- \$26.3M in state funding secured (Abode applied in Oct 2022)
- \$3.65M additional City funding
 - > Burbank, Glendale, Pasadena Regional Housing Trust Fund and Inclusionary Funds
 - > Heating system rehab to include all new radiators throughout the building, add'l elevator, additional elevator, window replacement
 - > Operational support
- \$93k in PLHA funds already allocated to CP for operational support to be used for immediate additional security

Schedule

- 25% units currently vacant (leasing ceased in Feb 2024)
- Additional 20% units to be vacated over the next 90 days by attrition through voluntary PSH to PSH transfers
- Phase I plans plan-check approved, rehab up to 18 months
- State perm loan must convert by Aug 2026



State Funded Rehab Scope

Housing Department

- Replace plumbing system
- Upgrade electrical system
- New AC in common areas
- Add kitchenettes in each unit
- Create additional showers and restrooms on each floor
- Create new social service space in the existing under-utilized gym



Subordinate City Loans

Housing Department

City subordination of loans #2, 3, & 6 (totaling \$10.3M) is required as a condition of the State HCD funding

LIEN #	DEED OF TRUST LOAN	AMOUNT
1	Proposed State HCD - PRP	\$26,298,920
1	State HCD – HLCP (existing to be combined with new proposed loan)	\$1,662,284
2	City of Pasadena – Loan I (existing)	\$1,998,302
3	City of Pasadena – Loan II (existing)	\$7,605,387
4	State HCD – CHRP (existing)	\$474,947
5	LA County Housing Authority (existing)	\$2,000,000
6	City of Pasadena - Loan III (existing)	\$681,638
	Total:	\$40,721,478



City Funded Rehab Scope

Housing Department

- All new heating system radiators throughout
- Add a second elevator as critical redundancy for limited mobility tenants
 - > To be a separate phase due to elevator equipment supply chain issues
- Window replacement
- Apply to Burbank-Glendale-Pasadena RHT for \$1.65M
- Additional future City Housing funding of \$2M approx.



Memorandum of Understanding

Housing Department

- Subordination of City loans
- Suspension of new move-ins
- Management plan for current operations
- Programmatic transition to senior housing
- Affirmation of existing covenants and regulatory agreements
- Abode to participate w/ City to identify successor owner-operator
- Additional City funding w/ City to approve construction fund draws



Potential Impacts if Not Approved

Housing Department

- \$26.3M HCD funding forfeited
- Further decline in condition of historic property
- Continued financial/operational decline
- Potential future abandonment without a viable rehab/reuse plan
- Unlikely any existing lender (HCD, City, County) will want to foreclose and take ownership of property
- Up to 105 current residents w/ acute PSH/ICMS needs will be at risk of homelessness, straining the City's limited emergency housing resources.
- Loss of 142 units of affordable housing



Recommendation:

Housing Department

- 1) Find that the action proposed herein is not a “project” subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 21065 and within the meaning of Section 15378(b);
- 2) Approve the subordination of City loans to state financing for the rehabilitation of the Centennial Place project located at 235 E. Holly Street, Pasadena;
- 3) Approve the terms of a Memorandum of Understanding with Abode Communities regarding the operation of Centennial Place and related matters;



Recommendation:

Housing Department

- 4) Approve the submission of a funding application in the amount of \$1,650,000 to the Burbank-Glendale-Pasadena Regional Housing Trust to assist the rehabilitation of Centennial Place; and
- 5) Approve the programmatic transition of Centennial Place to occupancy for very low-income seniors.



Centennial Place

Housing Department

End of Presentation



Centennial Place History

Housing Department

- Early 1990's, the Los Angeles Community Design Center, now Abode Communities (Abode), acquires the YMCA.
- Existing 125 SRO rooms retained and additional SRO units and managers' units are added for a total of 142 low-income units. Project renamed Centennial Place (CP).
- In 2010, CP converted to homeless or at-risk of homeless housing to facilitate Desiderio Park and Homes. Funding and rental assistance provided by City and LA County. Union Station brought on to provide homeless services funded by building operations.
- In 2013, LA County funds sustainability improvements.
- In 2017, LA County Measure H (1/4 cent sales tax for homelessness) is passed and is secured to pay for ICMS utilizing the Coordinated Entry System (CES).



Centennial Place History

Housing Department

- Pandemic Impacts
 - > Annual room inspections suspended
 - Widespread poor housekeeping conditions
 - Pest infestation issues
 - > Eviction moratorium prevented evictions
 - Safety and security issues
 - > Staffing shortages for ICMS and property management
 - Not enough case managers
 - Property management turnover
 - Custodial staff shortages
- CES matches highest need persons to PSH
 - > Too many high need individuals in one project
 - > High need individuals unable to properly share basic need facilities including toilets, showers and kitchens



Current Substandard Conditions

Housing Department

- Physical Condition
 - > Significant housekeeping and pest issues
 - > Worn, damaged, broken
 - Two of three sets of restrooms and showers inoperable due to property insurance delay
 - Heating system irreparable due to lack of vendor and parts
- Housing Quality
 - > High need tenants a challenged to properly utilize basic needs facilities
 - > Safety and security issues persist
- ICMS services
 - > Insufficient level of service for the large number of high need tenants



SRO as PSH Issue

Housing Department

- Traditional single room occupancy(SRO) buildings have been found to not be suitable for PSH with intensive case management services (ICMS)
- Skid Row Housing Trust Example
 - > Shared basic needs facilities do not work for high need tenants
 - > Inability to provide sufficient intensive case management services leads to a downward spiral resulting in poor living conditions and outcomes for ICMS-dependent residents



State Rehab Funding

Housing Department

Hard Costs	\$ 18,289,247
Financing & Insurance	\$ 3,289,673
Design, Engineering & Consultants	\$ 1,262,421
Reserves	\$ 1,248,920
Developer Overhead & Fee	\$ 1,228,381
Temporary Relocation	\$ 560,700
Permits & Fees	\$ 324,578
Legal	\$ 95,000
Total Budget	\$ 26,298,920



Junior City Loan Amounts

Housing Department

	CITY LOAN 1	CITY LOAN 2	CITY LOAN 3
Original Loan Amount	\$1,190,000 In 1989	\$3,350,000 In 1989	\$367,438 In 2013
Current Loan Amount	\$1,998,302 (amended in 2013 to add \$808,302 interest accrued 1989 – 2013)	\$7,605,387 (amended in 2013 to add \$4,255,387 interest accrued 1989 – 2013)	\$681,638 (amended in 2019 to include \$314,200 additional loan funding)



Unfunded Rehab

Housing Department

- Replace windows
 - > Reduce heat gain
 - > Add window screens
 - > Can be done as a future separate project with future funding likely PLHA funds
- Create an outdoor patio for residents
 - > Ramona project designed to provide land for a Centennial Place outdoor patio.
- Add AC to all units
- Convert SROs to studios