



Agenda Report

July 21, 2025

TO: Honorable Mayor and City Council

THROUGH: Economic Development and Technology Committee (July 15, 2025)

FROM: Department of Housing

SUBJECT: **AUTHORIZE THE SUBMITTAL OF AN APPLICATION TO THE BURBANK-GLENDALE-PASADENA REGIONAL HOUSING TRUST FOR FUNDING IN AN AMOUNT NOT TO EXCEED \$2,000,000 FOR AN AFFORDABLE HOUSING PROJECT AT 231 N. HILL AVENUE**

RECOMMENDATION:

It is recommended that the City Council:

- 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) Authorize the City of Pasadena to apply for funding from the Burbank-Glendale-Pasadena Regional Housing Trust (“BGPRHT”) in an amount not to exceed \$2,000,000 for an affordable housing development located at 231 N. Hill Avenue that will provide affordable housing to transitional age youth aged 18 to 24 years; and
- 3) Authorize the City Manager, or his designee, to execute, on behalf of the City, the BGPRHT funding application, along with any associated funding documents and agreements, as well as any amendments thereto, as required for participation in the BGPRHT funding program.

BACKGROUND:

Burbank-Glendale-Pasadena Regional Housing Trust

During the 2021-2022 legislative session, State Senator Anthony Portantino introduced Senate Bill (SB) 1177, a bill authorizing the creation of the Burbank-Glendale-Pasadena Regional Housing Trust (BGPRHT). This joint powers authority/agency, formed by and between the cities of Burbank, Glendale, and Pasadena, is a relatively new funding source for affordable housing in the tri-city area and has the ability to fund affordable

housing for the homeless population and for extremely low, very low, low, and moderate income households. SB 1177 was passed by the California State legislature and signed into law by the Governor in August 2022. The legislation allowed Burbank, Glendale, and Pasadena to enter into a Joint Exercise of Powers Agreement, which was approved by each City Council and executed on May 2, 2023. In addition, a budget appropriation of \$23 million was approved in the Governor's 2022-2023 budget for the BGPRHT.

On September 27, 2023, the BGPRHT Board of Directors, which consists of one City Councilmember each from Burbank, Glendale, and Pasadena, approved a Trust Project/Program Funding Policy. Per the Trust Project/Program Funding Policy, the total \$23 million amount is to be distributed equally among the member cities, resulting in a distribution of \$6.9 million each. All Trust member cities must approve submission of funding requests before they can be considered for funding by the Trust Board. BGPRHT funds structured by Trust member cities as project loans will be repaid to the Trust member city, rather than to the Trust itself.

The BGPRHT has previously awarded two (2) projects located in Pasadena. These are the mixed-income homeownership development located at 1878 E. Walnut Street (\$3.25 million) and the rehabilitation of Centennial Place (\$1.65 million).

231 N. Hill Avenue Overview

Staff proposes applying for BGPRHT funding for the development of a 57-unit affordable single room occupancy (SRO) project ("The Starr") that is located at 231 N. Hill Avenue. The Starr will provide affordable housing to Transitional Age Youth ("TAY") aged 18 to 24 years. The project developer is Abbey Road, a non-profit founded in 2009. BGPRHT funding, if awarded, will be utilized by the City as a construction-to-permanent loan to the developer in an amount not to exceed \$2,000,000.

Abbey Road has developed over 469 affordable units throughout Southern California, including in the Los Angeles area. Several of their past projects have served the TAY population. Abbey's Road's longtime partner, service provider Penny Lane Centers, has over fifty-five (55) years of experience serving foster children, former foster youth, and high-risk families in the Los Angeles area.

Need for TAY Housing

Youth housing remains an unmet need in the City, and throughout the region. Thirty-six (36) transitional age youth were found to be experiencing homelessness during the 2025 Point In Time Homeless Count; this comprises approximately six percent (6%) of Pasadena's homeless population. This number does not include youth who are sharing the housing of others or those who are staying with family or friends for short periods of time.

Homeless and at-risk TAY, who are navigating the transition from adolescence to adulthood, may face many unique challenges. This age is considered a critical

developmental stage, which is characterized by changes in social roles, family and peer support, and exposure to substance use; all of these factors can make the pursuit of educational and vocational programs difficult without stable housing.

According to a recent study, UCLA's "State of Crisis: Dismantling Student Homelessness in California", it's estimated that one (1) in five (5) California Community College students experience homelessness or are housing insecure. Stable housing is one of the most critical factors for student success and improving long-term economic standing. Youth homelessness continues to climb statewide, particularly in high-cost counties, such as Los Angeles County. Youth aging out of foster care is particularly vulnerable to homelessness, with approximately one thousand (1,000) youth aging out of foster care each year countywide.

Per a recent report from the U.S. Department of Housing and Urban Development, approximately one (1) in four (4) of these young people reported having experienced homelessness by their early twenties.

These trends underscore the critical need for targeted, early intervention services that not only help prevent chronic homelessness, but that also support successful transitions to independent adulthood. The Starr will provide its TAY residents with stable, affordable housing, which in turn will assist them as they pursue education and/or seek to join the workforce.

All residents will receive comprehensive onsite supportive services to help them adapt to and thrive in their new homes. These residents often have substantial needs when they first move into permanent housing, due in part to experiencing extreme poverty and inconsistent health care and to being under-served for many years. In addition, Penny Lane will offer "Independent Living Skills" classes, covering topics such as household maintenance, shopping, nutrition, cooking, laundry, hygiene, communication skills, conflict resolution, money management and budgeting, and housing planning and transition services. Penny Lane will also teach housing retention skills and act as a liaison between property managers and residents. Penny Lane will assist in dispute resolution. There will be on-site security during the evenings and on the weekends.

Project Details

The proposed project is a fifty-seven (57) unit new construction development on a currently vacant site located less than a mile from two Metro Gold Line transit rail stops. The site is currently entitled for fifty-eight (58) SRO units, but Abbey Road will be amending the existing entitlements to reflect a slightly reduced unit count; only minor changes are proposed to the approved exterior envelope and façade.

The proposed unit mix includes two (2) staff units for the on-site property manager and maintenance technician. The remaining fifty-five (55) units will be affordable studios with full kitchenettes and ADA compliant bathrooms. Amenities will include laundry rooms, a tenant lounge with a kitchen, a community room, and a central courtyard and garden.

Units will be rented at an affordable cost to extremely low-income TAY residents earning up to 30% of the Los Angeles County Area Median Income. The project will be restricted pursuant to a recorded regulatory agreement containing affordable housing covenants with a minimum term of 55 years.

The Starr has an estimated total development cost of \$45,976,081 (\$806,597/unit). If the City's proposed application for \$2,000,000 in BGPRHT funds is successful, it would represent the first major funding commitment of financing to the project, at a City subsidy level of \$36,363.64 per affordable unit. An award of BGPRHT funds will make Abbey Road far more competitive as they apply for other funding sources, which may include Low Income Housing Tax Credit equity, tax-exempt bond financing, State monies, and County funding.

Though The Starr has received a commitment of \$25,000 from Supervisor Katherine Barger's office, a successful BGPRHT funding award would enable Abbey Road to pursue and leverage additional funding sources more easily, as many of the proposed sources require or incentivize local funding commitments. Staff does not anticipate that the City will provide The Starr any additional City funding beyond the BGPRHT grant.

The provision of new housing with deep and long-term affordability for an underserved population provides a sound basis for the staff recommendation. In addition, the utilization of a non-City funding source (BGPRHT) at a modest subsidy level (\$36,363.64 per affordable unit) to leverage significant amounts of other project financing supports the staff recommendation to apply to the BGPRHT for a funding award of \$2,000,000. The key business terms of an Affordable Housing Loan Agreement will be brought back to Council for approval, if the BGPRHT funding is approved by the BGPRHT Board.

COUNCIL POLICY CONSIDERATION:

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

ENVIRONMENTAL ANALYSIS:

CEQA excludes from environmental review actions that are not "projects" as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378 define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of "project" organizational or administrative governmental activities that do not result in physical changes to the environment. The actions proposed herein, authorizing staff to apply for funding and execute the application, are organizational or administrative governmental activities that do not result in physical changes to the environment, and therefore is not a "project" as defined by CEQA. Since the action is not a project subject to CEQA, no environmental

document is required. The Starr was previously subject to environmental review on February 25, 2021, and was determined to be exempt from environmental review pursuant to the CEQA Guidelines Section 15332, Class 32, In-Fill Development Projects.

FISCAL IMPACT:

Approval of the recommended actions will have no direct fiscal impact on the City's General Funds or current operating budget. If the City's application for BGPRHT funding is successful, a funding agreement between the City and the BGPRHT will be entered into, and staff will return to City Council to amend the Housing Department's FY 2026 Operating Budget and recognize the BGPRHT funding as revenue.

Respectfully submitted,



JAMES WONG
Director of Housing

Prepared by:



Caroline Lockwood Nelson
Program Coordinator

Approved by:



MIGUEL MÁRQUEZ
City Manager