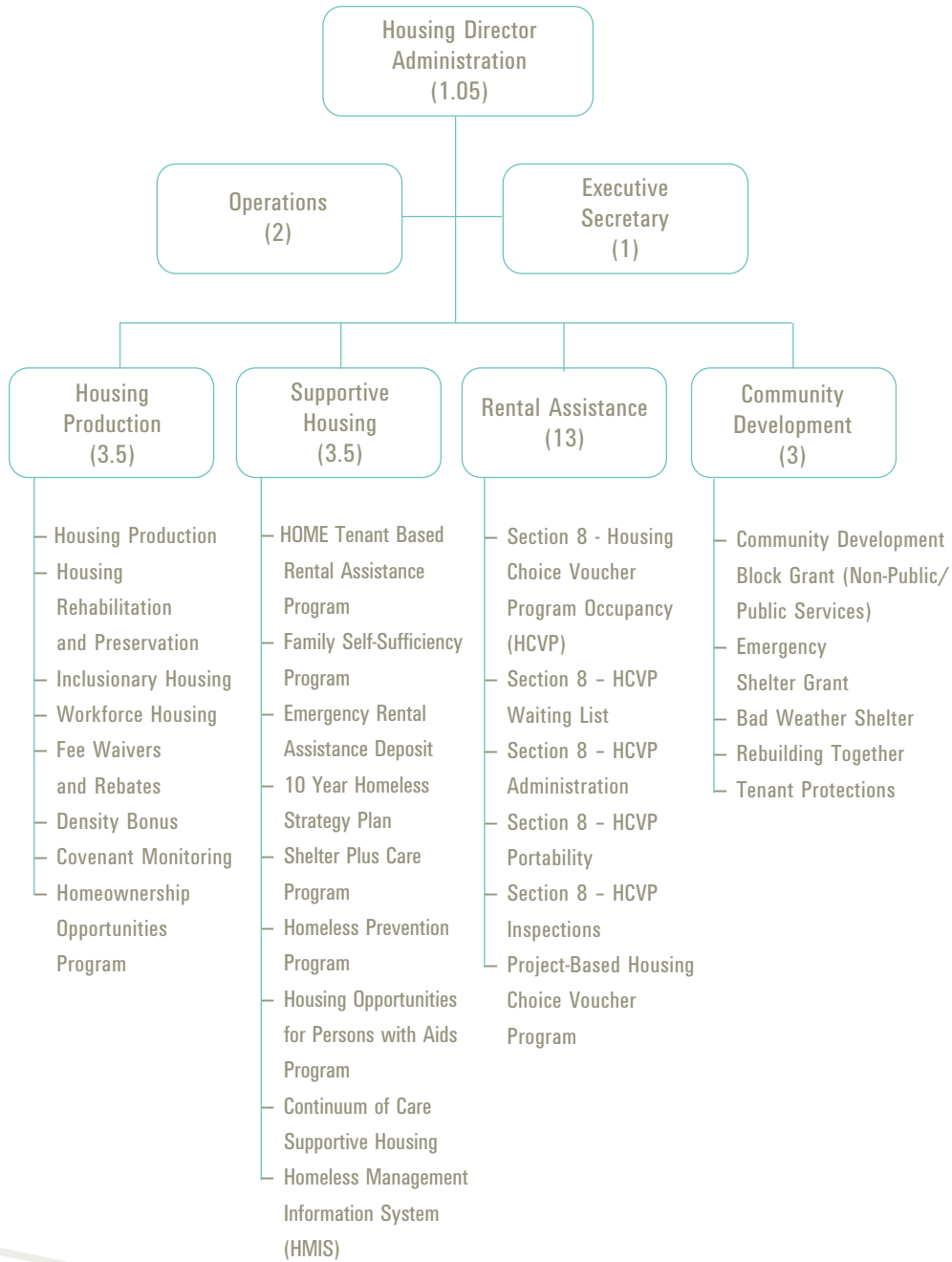


HOUSING



ADOPTED OPERATING
BUDGET FISCAL YEAR
2009

CITY OF PASADENA HOUSING



CITY OF PASADENA HOUSING

DIVISION SUMMARY HOUSING

Mission Statement

To build viable urban communities with decent housing, suitable living environments, and accessible economic opportunities, for persons of low, moderate and middle income, as well as reduce/prevent homelessness.

Program Description

Housing and Community Development supports a myriad of active affordable/workforce housing initiatives where financial assistance is made available directly or indirectly to very low, low, moderate, and middle income households. The department's revenue sources are comprised primarily of locally generated monies (redevelopment tax increment funds and Inclusionary housing funds) and federal entitlements (e.g., Section 8 Housing Choice Voucher Program, Community Development Block Grant, Home Investment Partnerships, Emergency Shelter Grant, and Supportive Housing funds). In addition, the Housing and Community Development Department receives grant and loan funds through State programs on a competitive basis. Activities include the assessment of community housing and economic needs, provision of goods and services by local businesses and non-profits, provision of affordable/workforce housing opportunities, and the monitoring of these activities to determine their success in meeting housing and community development needs. These efforts are directed toward creating neighborhood vitality, livability and an improved quality of life for residents while also fostering economic prosperity for the City, its residents and businesses.

Departmental Relationship To City Council Goals (General Plan Principles):

- **Growth Will Be Targeted To Serve Community Needs and Enhance the Quality of Life**

The four major programs offered by the Housing & Community Development Division include Housing Production; Rental Assistance; Supportive Housing; and, Community Development.

All four programs are primarily designed to meet basic housing needs either with ownership or rental opportunities. The assistance provided to low and moderate income families not only enhances the quality of life but also improves and stabilizes neighborhoods which benefits all residents.

- **Change Will Be Harmonized To Preserve Pasadena's Historic Character and Environment**

All assisted housing projects are reviewed for compatibility within the neighborhood in which the development is proposed. The quality of the housing development is also a major consideration and all projects are reviewed and assessed to ensure that the quality of the development enhances the neighborhood. While density is a major tool for maximizing the number of units produced with limited dollars, projects are reviewed for consistency and compatibility with existing density and height limitations. The goal is to provide affordable housing while contributing to the stability and existing character of the neighborhood.

Every neighborhood in Pasadena is able to trace its history through the number of historic homes that remain throughout the community. To the extent possible, notable historic homes are relocated when new affordable housing is to be developed. Or, as recently occurred, the historic units are integrated into the new development. The historic homes contribute to the quality of the neighborhoods and remind many of the craftsmanship that contributed to the long and useful life of these residential units.

- **Economic Vitality Will Be Promoted To Provide Jobs, Services, Revenues and Opportunities**

The housing development projects provide employment through the City's first source hiring ordinance. Several of the sub-recipients of the Block Grant program provide job training, counseling and other services to enhance the employability of residents. The Inclusionary Housing Ordinance generates in-lieu fees that are invested in affordable housing projects. The City supports permanent supportive housing that includes onsite

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services in job training and referral. Pasadena Development Corporation provides start-up and bridge loans for small local business owners and entrepreneurs. Pasadena Economic Center provides business incubator office space and services to small local businesses. Both of these non-profit organizations are funded through the Block Grant program.

- **Pasadena Will Be Promoted As A Healthy Family Community**

The programs provided by the Housing & Community Development Division promote healthy families both literally and figuratively. The housing production division provides ownership and rental housing opportunities for low and moderate income households. In recent years this division has provided workforce housing that reaches a segment of the population such as teachers, police, fire fighters and others that have been priced out of the residential market in Pasadena.

For those paying well beyond the HUD recommended 30% of income for housing, the Section 8 Program which subsidizes the difference between the amount the family can afford and the market rate cost, provides security and stability. The assistance provided through the Section 8 program also allows the family to devote funds to other critical needs such as healthcare, food and other daily needs.

For the homeless, the bad weather program combined with the transitional and permanent supportive housing provides shelter from the harsh realities of living on the street. With more and more families becoming homeless this program provides family stability and the support services necessary to get the family back on track to permanent housing and employment.

The Community Development Block Grant Program provides sub-recipient grants to non-profit agencies that provide critical services to low income families. The non-profits also provide services such as job training, educational assistance as well as culture and the arts.

- **Pasadena Will Be A City Where People Circulate Without Cars**

The majority of the new affordable housing developments are required to be located within walking distance of major

thoroughfares. The purpose is to provide access to bus lines and, in the City of Pasadena, to the Gold Line light rail system. Many low income families do not have the financial resources that allow purchase and maintenance of an automobile and must rely on public transit. Additionally, the Pasadena ARTS bus system provides transit to and from neighborhoods to access goods and services such as medical, educational, retail, marketing, entertainment, etc. The senior facilities and Emergency Shelter Care programs provide van service to goods and services.

- **Pasadena Will Be Promoted As A Cultural, Scientific, Corporate, Entertainment And Educational Center For The Region**

A primary objective of the Housing division is to create housing opportunities that allows targeted segments of the community to reside and work in the City. Many of the non-profits funded through the Block Grant program provide educational and counseling programs that contribute to the work force needed to staff the many levels of employments needs of the scientific, corporate and educational entities that are located within the City.

- **Community Participation Will Be A Permanent Part Of Achieving A Greater City**

All of the programs provided by the Housing & Community Development Division include community participation as an integral component. The Rental Assistance Program prepares a Section 8 annual plan which is reviewed and approved by several advisory bodies before proceeding to the City Council for approval. Federal Section 8 policy requires the establishment of a Resident Advisory Board (RAB) which is comprised of residents with Section 8 vouchers. The RAB meets annually to discuss and approve the program goals and objectives.

The Community Development Block Grant program also requires an Annual Plan and the Consolidated Annual Performance and Evaluation Report (CAPER). These reports are prepared annually to describe City of Pasadena HUD funded activities as well as other housing and community development programs implemented by the city. The Annual Action Plan reports activities for the coming program year to HUD and at the

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conclusion of a program year the CAPER is prepared to demonstrate the expenditure of funds and achievement of goals pursuant to the five year Consolidated Plan.

The projects undertaken by Housing Production are reviewed by several public advisory bodies as warranted which may include redevelopment area project committees, the Northwest Commission, the Community Development Committee, Planning Commission and other review bodies as required.

The staff of the Supportive Housing program coordinates and convenes the monthly meeting of the Pasadena Housing and Homeless Network at which emergency shelter, transitional housing, and permanent supportive programs are reviewed and approved.

Major Accomplishments

During fiscal year 2008, the Division accomplished the following:

Housing Production

- Selected developer for Heritage Square project and completed land acquisition of project site
- Completed construction of new units at Fair Oaks Court (37 affordable ownership units)
- Entered into contract to extend affordability restrictions at Green Hotel (138 affordable senior rental units)
- Entered into development and loan agreement for the Allen/Brigden project (1 affordable and 2 workforce ownership units)
- Entered into development and loan agreement for the Lamanda Park project (18 affordable rental units)
- Implemented the Inclusionary Housing program (132 affordable units completed, under construction, or placed under contract)
- Implemented the Homeownership Opportunities Program (11 low/moderate income homebuyers assisted)
- Initiated a counseling and intervention program to minimize residential property foreclosures due to the subprime mortgage collapse.

Community Development

- Implemented Human/Public Services (21 agencies/20,000 clients assisted)
- Implemented Neighborhood Housing Rehabilitation Programs (64 units/58 yards)
- Implemented Emergency and Bad Weather Shelters (1,500 households assisted)
- Implemented Economic Development Programs (5 programs/1,638 jobs created or retained)
- Implemented the Code Enforcement Inspections (4,400 inspections performed)
- Implemented Rebuilding Together Pasadena (10 homes)
- Implemented Tenant Protection Ordinance.

Rental Assistance Program

- Implemented the Section 8 Housing Choice Voucher Program (1,500 low income households assisted)
- Implemented the Section 8 Project-based Rental Assistance Program (44 rental units)
- Implemented the Public Housing Authority (PHA) 2008-2009 Annual Plan
- Implemented the Section Eight Management Assessment Program (SEMAP - 100% rating)
- Implemented the Section 8 Housing Choice Voucher Program open enrollment.
- Implemented the Section 8 Housing Choice Voucher Program 2008 Administrative Plan.

Supportive Housing Program

- Implemented Supportive Housing Program (152 low-income households assisted)
- Implemented the 10 Year Strategy to End Homelessness (20% reduction in point-in-time homeless count since 2005)
- Initiated the Homeless Prevention Program (70 households assisted).

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SUMMARY OF APPROPRIATIONS AND REVENUES

Summary of Appropriations and Revenues	FY 2006 Actual	FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2009 Adopted
FTEs	26.05	26.05	26.05	26.05	27.05
Appropriations	23,339,074	19,909,122	37,083,017	37,083,017	31,095,668
Sources by Fund					
Rental Assistance Program	10,555,966	11,012,293	11,184,470	11,184,470	12,151,692
Supportive Housing Programs	2,104,115	1,137,114	2,669,392	2,669,392	2,893,525
Community Development					
Block Grant	2,832,245	2,696,145	2,480,199	2,480,199	2,536,079
Affordable Housing	7,846,748	5,063,570	8,892,949	8,892,949	10,234,320
Fund Balance (various funds)			11,856,007	11,856,007	3,280,052
Total Sources by Fund	23,339,074	19,909,122	37,083,017	37,083,017	31,095,668

Departmental Results
Statements

	FY 2007 Actual	FY 2007 Target	FY 2007 % Target	FY 2008 Target	FY 2009 Target
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RESULT 1: EXPANDED ACCESS TO AFFORDABLE, DECENT, SAFE AND SANITARY HOUSING BY LOW AND MODERATE INCOME PERSONS, INCLUDING THE ELDERLY AND THOSE WITH SPECIAL NEEDS.

Measure 1.1 Number of affordable housing units under construction or under contract, with approved public financing awaiting construction.

A. Affordable housing units under construction, completed, or in negotiation.	178	152	100%	134	247
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Measure 1.2 Number of units provided with home ownership assistance.

A. Units provided with ownership financing assistance.	7	24	29%	15	13
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Measure 1.3 Occupancy rate maintained in Section 8 HCV Program.

A. Percentage occupancy rate of the 1,315 households assisted in the Section 8 Program.	94%	95%	99%	95%	95%
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Measure 1.4 Occupancy maintained in the Supportive Housing Program

A. Occupancy rate for the 150 households assisted by the Supportive Housing Program.	95%	95%	100%	95%	95%
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Measure 1.5 Distribution of Community Development Block Grant (CDBG) funds.

A. A. Percentage of CDBG funds expended.	95%	95%	99%	95%	95%
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Changes from Prior Year

- **Cost Changes:** The net decrease is \$5,987,349 from the fiscal year 2008 Revised Budget. The variance is primarily attributable to increases in salary and benefit rates totaling \$243,824, Services and Supplies, \$8,700, internal services due to annual rate adjustment, \$2,539, rental assistance section 8 program, \$781,930, Supportive Housing Services \$111,467, CDBG program \$23,562, and debt services associated with CDBG Section 108 loans, \$94,791. The stated increases are offset by decreases in Affordable Housing Production Funds primarily related to the Housing Opportunity Program, \$7,163,602, Affordable Housing Production tax allocation bonds, \$90,560.
- **FTE Changes:** There is a net increase of 1.0 FTE due to creation of one new Director of Housing position to oversee the Housing Department, an increase of 1.0 FTE Executive Secretary position to support the Director of Housing position, and the transfer of the Housing Administrator position from the Housing Department to the City Manager's Department.
- **Organizational/Program Changes:** The Housing and Community Development Division was under the City Manager's budget in fiscal year 2008. Beginning in fiscal year 2009, the Housing and Community Development Division will separate from the City Manager's Department and establish its own department budget in fiscal year 2009. There is no impact to the overall budget since this is an internal administrative decision.

Future Outlook

The City's approach to the provision of affordable/workforce housing and community development opportunities shall be through the increased delivery of public and non-public services, preservation of the existing affordable housing stock, implementation of inclusionary requirements and the provision of incentives for the preservation, construction and financing of affordable housing opportunities with a focus on the housing and economic assistance needs of very low, low and moderate and middle-income tenants, owners, and prospective homebuyers. Moving forward, positioning the organization to more proactively identify affordable housing development opportunities, and greater incorporation of "green" building practices in such projects will be important objectives.

In an effort to achieve these results, the City shall pursue its new affordable/workforce housing initiatives as well as leverage other funding sources. It will be important to identify and secure funding sources which may not have been considered previously, including private foundation sources. In the long term, prospects are good if the City continues to engage in the use of new tools to overcome the increasing cost of housing while also recognizing the need for greater subsidies per household. If new funding resources and leveraged financing can be accessed, it is expected that the number of households assisted will be increased.

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Housing
Budget and Position Control

