



OFFICE OF THE CITY MANAGER

January 2, 2020

To the Honorable City Council
of the City of Pasadena

Mayor and Councilmembers:

WEEKLY NEWSLETTER

1. **Review of Existing At Risk Affordable Housing Stock:**

At the October 28, 2019 City Council meeting, funding for the La Villa Lake Apartments was approved, deed restricting all the existing units to low income senior housing for 55 years. At the request of City Council, staff has reviewed the stock of existing at-risk affordable housing projects as summarized below.

At-risk affordable housing are units with expiring affordable housing covenants which make conversion of affordable units to market rate housing a future possibility. The California Housing Partnership Corporation (CHPC) maintains a statewide list of all affordable housing projects with expiring HUD or low income housing tax credit (LIHTC) affordability covenants. Although the loss of existing affordable housing is a significant problem in many jurisdictions, the issue is relatively modest in Pasadena due to the high percentage of affordable housing owned by mission-driven nonprofit affordable housing developers who are not motivated to maximally monetize their affordable housing assets.

At-Risk Housing Stock: CHPC identifies 2,187 units of deed restricted affordable housing in Pasadena. Over 94% of which are deemed to be at low risk of converting to market rate housing due in large part to nonprofit ownership. CHPC does not track inclusionary units of which there are nearly 600 in Pasadena, but they too are at low risk of converting to market rate housing due to the City's long term affordability covenants on rental inclusionary units and the City's first right of refusal covenants on inclusionary condominiums.

Units At-Risk Over the Next 5 Years: Over the next 5 years, there are 197 at-risk units in Pasadena. Of these, 158 are deemed to be at low risk of converting to market rate housing and 39 are

City Hall

100 N. Garfield Avenue, Room S228

Mailing Address: P.O. Box 7115 • Pasadena 91109-7215

(626) 744-6936 • Fax (626) 744-4774

smermell@cityofpasadena.net

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at moderate risk. The moderate risk units are all owned by for profit entities; however, all the entities have indicated to staff that they do not intend to convert them to market rate units when their affordability restrictions expire.

The Housing Department recognizes the need to both create more affordable housing, as well as preserve existing affordable units. Recent examples of preserving affordable housing include The Groves (86 units), La Villa Lake (114 units), and Concord Apartments (149 units).

Wishing you a Happy and Prosperous New Year!



JULIE A. GUTIERREZ
Assistant City Manager