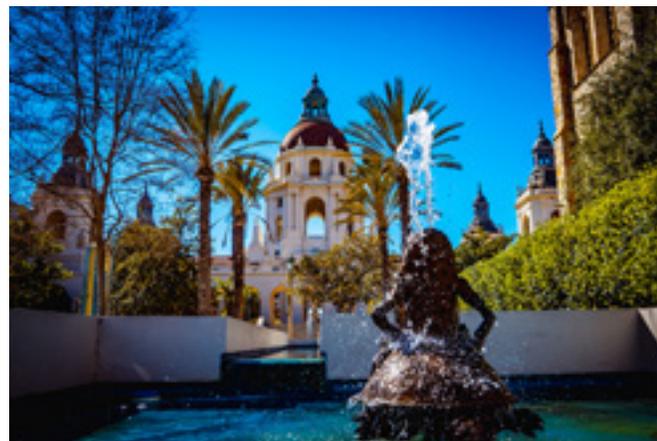
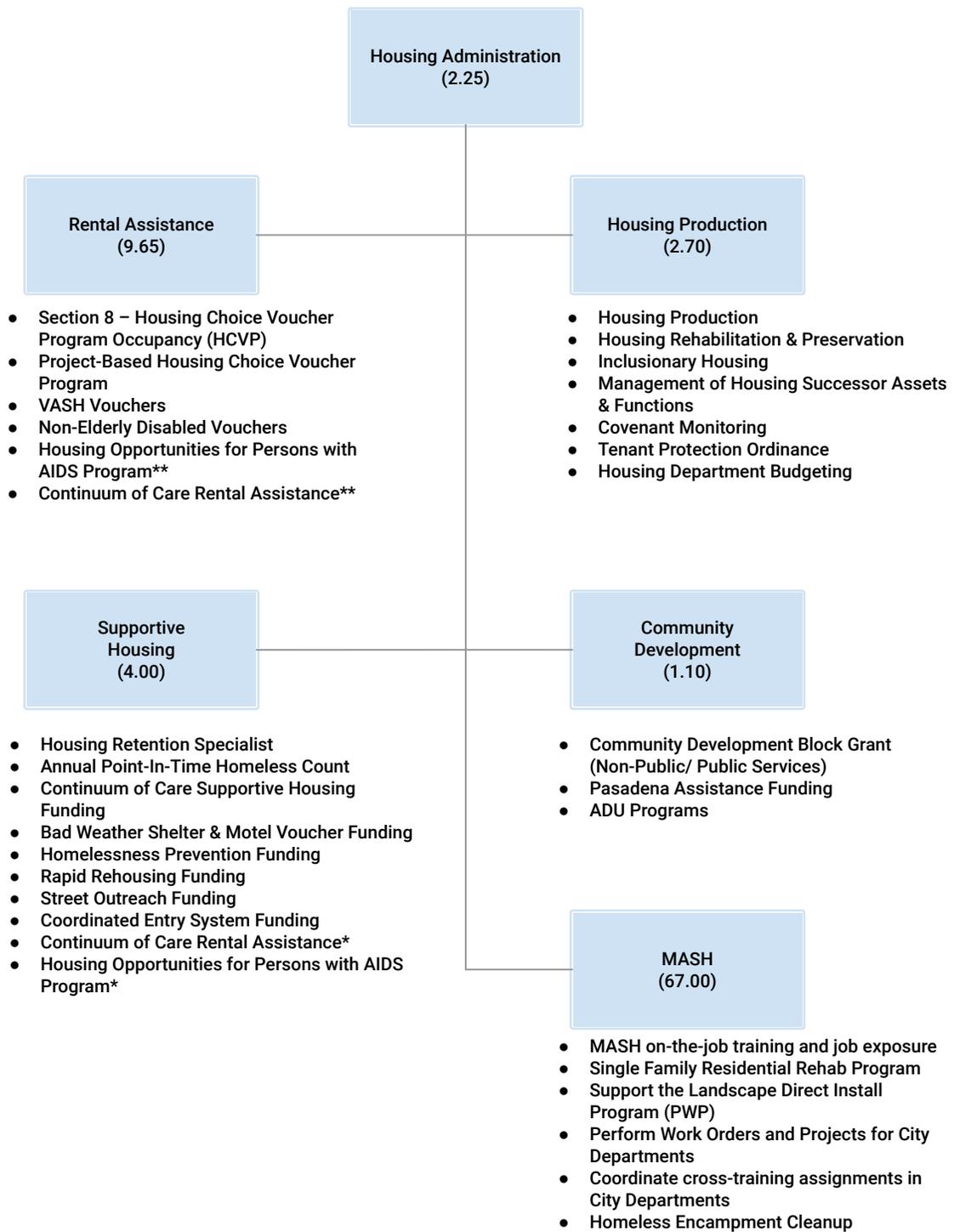


HOUSING





* Administration
 ** Occupancy



MISSION STATEMENT

The Department of Housing is dedicated to providing affordable housing, employment, and community development opportunities for low and moderate income persons to enhance and strengthen our community. The Department's core values include: decent, safe, affordable housing as an equal right for all Pasadena residents; transparency; program expertise; professionalism; excellent customer service; teamwork and collaboration; and social and economic diversity.

PROGRAM DESCRIPTION

The Department implements a variety of affordable housing initiatives where financial assistance is made available directly or indirectly to very low, low, and moderate income households. Activities include the provision of affordable housing opportunities, and the monitoring of these activities to determine their success in meeting housing and community development needs. The Department's programs are directed toward creating neighborhood vitality, livability, and an improved quality of life for residents. MASH is a unique full-time paid job training program for dozens of adult participants that provides services to homeowners as well as City departments. For FY 2021, approximately 15.3 percent of the Department's revenues are derived from locally generated sources (Housing Successor funds, City General Fund support, and Inclusionary housing in-lieu fees) and 84.7 percent from federal programs (e.g., Section 8 Housing Choice Voucher Program, Community Development Block Grant, Home Investment Partnerships, Emergency Solutions Grant, HOPWA, and Continuum of Care funds). In addition, from time to time, the Department receives grant and loan funds through county and state programs [e.g. Homeless Emergency Aid Program (HEAP), California Emergency Solutions and Housing (CESH), Homeless Housing, Assistance, and Prevention (HHAP)].

DEPARTMENTAL RELATIONSHIP TO CITY COUNCIL GOALS

Maintain Fiscal Responsibility and Stability

- Implement division-level tracking of department operating budget on a regular, periodic basis;
- Maintain a system of sound fiscal management and control practices;
- Comply with funding regulations for all revenue sources (local, state, and federal);
- Identify alternative permanent funding sources for housing and community development projects and programs;
- Monitor and evaluate progress, effectiveness and regulatory compliance of programs and projects funded by the Department. Improve, maintain, and enhance public facilities and infrastructure;
- Capital improvement of facilities benefiting low income persons are funded by the Department's Community Development Block Grant program;
- To the extent feasible, notable historic properties are identified for affordable housing development opportunities; and
- Ensure that proposed affordable housing projects assisted by the Department are compatible with, and enhance the existing character of the neighborhoods within which they are located.
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Increase Conservation and Sustainability

- Create housing opportunities that allow people who work in Pasadena to be able to live here;
- Incorporate "green" building practices in new affordable housing projects;

- Provide support for existing, older affordable housing projects to improve energy and water conservation;
- Provide direct funding for “green” enhancements to facilitate greater conservation;
- Collaborate with Water & Power to more effectively utilize that Department’s conservation programs which target lower income persons;
- Improve mobility and accessibility throughout the City where feasible, by supporting the location of new affordable housing developments within walking distance of major thoroughfares, providing access to bus lines and to the Gold Line light rail system; and
- Encourage department-assisted projects and programs to incorporate amenities that improve mobility and accessibility.

Support and Promote Quality of Life and the Local Economy

- Affordable housing projects provide homeownership opportunities and suitable and safe rental housing;
- The construction of affordable housing projects provides local employment opportunities through coordination with the City’s First Source hiring program;
- Section 8 rental subsidies allow families to allocate more of their household income to other critical quality of life needs such as healthcare, food, and transportation;
- Community-based agencies funded with CDBG funds serve a wide range of needs including economic development, educational and counseling programs, food assistance, basic health care, youth diversion, social services, and housing rehabilitation;
- CDBG funds infrastructure projects that replace deteriorated and broken sidewalks;
- The MASH program works to increase accessibility through the construction of ramps for low-moderate income residents with disabilities;
- MASH works to remove blight by painting the exterior of single family homes for low to moderate income homeowners;
- MASH assists under-skilled and unemployed individuals attain careers by providing job exposure and on-the-job training, career coaching, and interview and job application preparation;
- MASH performs cleanups of homeless encampments in close coordination with the Pasadena Police Department’s HOPE team; and
- Homelessness is addressed through street outreach; assessment for housing placement; rapid rehousing and permanent supportive housing programs, including rental assistance; homeless prevention; and bad weather shelter programs. These programs address homelessness at different points, with a goal of placing persons experiencing homelessness into housing as quickly as possible.

Ensure Public Safety

- Department-assisted affordable housing projects often replace community nuisance properties (e.g. liquor stores, vacant buildings); and

- Implementation of the City’s Homelessness Strategy prioritizes moving homeless persons quickly to housing through street outreach and housing with services in order to improve their well-being and decrease the impact of homelessness on the community.

FISCAL YEAR 2020 ACCOMPLISHMENTS

The Department’s key accomplishments during FY 2020 include the following:

Housing Production

- Inclusionary housing: A total of 13 affordable units were completed, under construction or permitted. In-Lieu Fee receipts totaled \$3,994,356;
- Assisted housing production: The Decker Court and Gill Court projects totaling 16 affordable units commenced construction, purchased a Caltrans-owned house for use as shared rental housing for persons experiencing homelessness, and the City committed funding to assist the development of the 65-unit Salvation Army Hope Center, a permanent supportive housing project for single persons who are homeless; and
- Housing Preservation: The City committed funding to assist the preservation of the 114-unit La Villa Lake senior housing complex, formerly a HUD project that had converted to market rate housing. Also, building plans were completed and construction financing was secured for the preservation of the Concord Apartments, a 150 unit affordable rental housing complex for seniors operated by nonprofit developer Retirement Housing Foundation.

Rental Assistance Program

- Implemented the Section 8 Housing Choice Voucher Program (1,409 low income households assisted), which includes Section 8 Non-Elderly Disabled Vouchers and VASH Vouchers for homeless veterans;
- Implemented the Section 8 Project-based Rental Assistance Program with 283 units under contract and commitments;
- On-going conversion of Centennial Place into permanent supportive housing including 142 project based vouchers;
- Conducted educational meetings for both property owners and program participants to increase awareness of new laws and local initiatives; and
- Conducted the Section Eight Management Assessment Program (SEMAP) and achieved a “High Performer” rating from HUD.

Homeless Services:

- Permanently housed 29 households* experiencing homelessness through quarter 2 of FY 2020;
- Prevented 23 households* from falling into homelessness through quarter 2 of FY 2020;
- Continued to provide permanent supportive housing to 270 formerly homeless households; and
- Provided shelter to 255 individuals through the Bad Weather Shelter.

* Households include both families and individuals, so it is not reflective of the total number of people served.

Community Development Block Grant:

- Implemented Human/Public Services (4 projects) which assisted over 575 people;
- Awarded the rehabilitation of 4 public facilities totaling \$252,085; and
- Awarded 2 infrastructure improvement projects totaling \$650,000.

MASH:

- Assisted 21 MASH program participants to find full-time permanent employment with livable wages and benefits in both the public and private sectors;
- Assisted 7 low to moderate income homeowners with repairs to improve livability, remove blight, and conserve water and energy; and
- Partnered with PWP to provide 5 low income homeowners with drought tolerant landscaping and water-saving irrigation systems

Operating Budget

The FY 2021 Adopted Budget of \$37,500,702 is \$3,001,871 (8.7 percent) higher than the FY 2020 Revised Budget.

Personnel

A total of 87.70 FTEs are included in the FY 2021 Adopted Budget. This increased FTE represents: a) new limited term Office Assistant (1.00 FTE) to perform much needed clerical and administrative functions for Rental Assistance, Front Desk Lobby and Housing Administration; b) a new limited term Program Coordinator (1.00 FTE) position for the Homeless Services Program; c) reclassification of Supportive Housing Program Coordinator I from 0.50 FTE to 1.00 FTE in FY 2020 Revised budget; and d) MASH CSW cross trainees of 0.24 FTE to comply with MUNIS Payroll ERP system requirements.

Other Issues

Significant reduction in federal housing and community development funding (CDBG, HOME, Section 8) between FY 2011 and FY 2014 resulted in curtailment of the program and nearly 50% reduction in staff. These funds have increased slightly over the past two years (FY 2019 and FY 2020), but are not yet at FY 2011 level. Since FY 2018, the Department no longer offers capital funding for non-profit organizations using CDBG funding due to the repayment of the Section 108 loan for the Robinson Park Renovation. Furthermore, the dissolution of redevelopment in 2012 eliminated approximately \$3,000,000 tax increment housing revenues which historically have been relied on to support affordable housing projects/programs, acquire land, debt service on housing loans/bonds, and program administration continues to affect the Department. In FY 2020, residential tenant protections were expanded under state law and local ordinance, and the City committed additional funding to the Housing Rights Center to address additional demand in the community for counseling services. Also, in response to the COVID-19 pandemic, the City adopted an eviction moratorium to protect residential and commercial tenants. The federal response to COVID-19 is likely to bring an increase in federal funding, but also an unprecedented demand which will be challenging to meet.

YEAR-OVER-YEAR BUDGET CHANGES

General Fund Revenue

General Fund support in the amount of \$1,549,638 (4.5 percent of the total Adopted Budget) will continue in FY 2021 for operating administration and staffing costs, which includes \$75,000 for the Housing Rights Center, \$190,000 for Job Center and \$80,000 to be contracted out to Union Station for the HOPE case manager which will be funded by Measure I.

Other Funds

There are significant increases in funding related to homeless services as a result of increases within current funding sources and the addition of new local and State funding. There is an increase of \$174,472 in federal CoC funds for FY 2021 (4.8 percent increase from FY 2020 Revised Budget). There is an increase of \$879,863 in County Measure H funds for FY 2021 (68 percent increase over FY 2020 Revised Budget). The City will also receive \$638,479 of Homeless Housing, Assistance, and Prevention (HHAP) grant funding from the State of which \$53,000 will be included in the FY 2021 budget with the balance to be expended over the subsequent four years. In response to the COVID-19, a stimulus package containing CDBG and ESG direct allocations was approved under the CARE Act this FY 2020 through the regular program formula to prepare for, prevent and respond to the coronavirus, as well as individuals and families who are homeless or receiving homeless assistance and homelessness prevention activities. It is expected that these funds will be fully expended.

FUTURE OUTLOOK

Affordable Housing

The COVID-19 pandemic will impact affordable housing needs in Pasadena, exacerbating an already challenging high-cost housing market. The enhancement of existing funding sources will be critical to the Department of Housing's capacity to provide affordable housing opportunities to the community. Current examples of funding initiatives include structuring a Basic Services Offset Payment ("BSOP") in larger-sized housing projects which are significantly subsidized by the City (e.g. Centennial Place and Heritage Square). Most state and county funding sources are available on a competitive project-by-project basis. However, one notable exception is the state's Permanent Local Housing Allocation program which will provide the City with entitlement formula grant funding totaling approximately \$1.1M per year over the next five years. Furthermore, in the absence of dedicated City funding sources to initiate new large affordable housing projects, the Housing Department will continue to focus on generating a continuous level of smaller, acquisition and rehab projects utilizing Inclusionary funds. Excess cash flow generated from such projects will be available to support department operations and reduce reliance on City General Funds. To maintain the Department's capacity to provide a high level of services with current staffing levels, information technology enhancements will be implemented, particularly in the CDBG and Section 8 sections. On the legislative front, it will be important to support initiatives which seek to create new affordable housing funding resources and to restore housing funds that were lost due to the dissolution of redevelopment.

Community Development Block Grant (CDBG):

The current administration has threatened this entitlement program with cuts and elimination in recent years. However, Congress has continued to increase funding almost 19% since 2017, although 35% below the funding highs of 2003. The recent world health crisis will put particular strain on the low and moderate income community. The number of low to moderate income persons will certainly increase during this year's Census Count 2020. As a result, CDBG funding could increase in the coming years. This formula grant program will be utilized to get funds to the community in a timely manner to those in need during and after the COVID-19 health crisis.

Homeless Services

Although Pasadena has received several one-time increases in funding from the State which are reflected in the FY 2020 and FY 2021 budgets, ongoing funding is needed to support high priority needs such as supportive services for existing and new supportive housing programs and increasing housing navigation capacity. The COVID-19 crisis will likely drive many new households into homelessness, and emergency responses could deplete certain homeless funds. A robust homelessness prevention response is necessary to prevent sharp increases in the homeless population and the displacement of many residents.



SUMMARY TABLES

SUMMARY OF APPROPRIATIONS BY EXPENSE CATEGORY

(In Thousands)

Expenditure Category	FY 2019	FY 2020	FY 2020	FY 2021
	Actuals	Adopted	Revised	Adopted
Personnel	\$2,627	\$3,380	\$3,380	\$3,801
Services & Supplies	19,511	26,356	30,171	32,744
Internal Service Charges	471	500	500	513
Capital Outlay	254	3	28	3
Debt Service	428	420	420	440
Operating Transfers Out	1,466	-	-	-
Housing Total	\$24,757	\$30,659	\$34,499	\$37,501

SUMMARY OF APPROPRIATIONS BY DIVISION

(In Thousands)

Division	FY 2019	FY 2020	FY 2020	FY 2021
	Actuals	Adopted	Revised	Adopted
Housing Admin**	\$1,178	\$1,368	\$1,444	\$473
Rental Assistance	14,442	15,559	15,559	15,613
CDBG and Supportive Housing**	6,003	8,331	10,425	-
Community Development Block**	-	-	-	1,830
Supporting Housing Program**	-	-	-	11,354
Housing Production**	2,687	4,232	5,877	7,050
MASH*	447	1,169	1,194	1,181
Housing Total	\$24,757	\$30,659	\$34,499	\$37,501

SUMMARY OF APPROPRIATIONS BY FUND

(In Thousands)

Fund	FY 2019	FY 2020	FY 2020	FY 2021
	Actuals	Adopted	Revised	Adopted
105 - General Fund Projects Fund	\$59	\$360	\$360	\$356
219 - Community Develop Block Grant	2,849	2,210	3,443	2,295
220 - Rental Assistance Programs Fnd	14,442	15,559	15,559	15,613
221 - Home Investment Partnership Fd	1,613	735	735	909
223 - Supportive Housing Prog.(SHP)	2,715	3,641	3,641	3,815
224 - Emergency Sheher Grant -ESG	207	159	767	3,549
226 - HOPWA Fund	48	189	189	179
237 - Low and Mod Inc Housing Asset	996	2,770	3,770	3,771
238 - Other Housing Funds	1,516	3,742	4,111	5,127
239 - Inclusionary Housing Tru st Fun	312	1,294	1,924	1,887
Housing Total	\$24,757	\$30,659	\$34,499	\$37,501

SUMMARY OF FTEs BY DIVISION

Division	FY 2019	FY 2020	FY 2020	FY 2021
	Adopted	Adopted	Revised	Adopted
Housing Admin**	3.95	3.95	3.95	2.45
Rental Assistance	9.65	9.65	9.65	9.65
CDBG and Supportive Housing**	3.60	4.60	4.60	-
Community Development Block**	-	-	-	1.10
Supportive Housing Program**	-	-	-	5.00
Housing Production**	-	-	-	2.50
MASH*	10.76	66.76	66.76	67.00
Housing Total	27.96	84.96	84.96	87.70

*As of FY 2020, the Department's FTE total now includes previously "non-budgeted" positions (56.00 FTE MASH trainees). There are no appropriations budgeted for these positions – only the FTE authorization to meet ERP system requirements.

**The Department underwent a re-organization as part of the FY 2021 budget cycle to align their budget to the actual operational organization structure. The Department is now able to report their divisions in accordance with the Organizational Chart.

