



ROBERT C. LARSON  
HOUSING POLICY  
LEADERSHIP  
AWARDS

## 2014 WINNER

### ORGANIZATION

City of Pasadena, California

### YEAR OF IMPLEMENTATION

2001

### AFFORDABILITY

- 66 percent of units affordable to households at or below 50 percent of AMI
- 8 percent of units affordable to households at 51–80 percent of AMI
- 25 percent of units affordable to households at 81–120 percent of AMI

### NUMBER OF UNITS PRODUCED

1,370

### WEBSITE

[www.cityofpasadena.net/housing](http://www.cityofpasadena.net/housing)  
[www.pasadenahousingsearch.com](http://www.pasadenahousingsearch.com)

Photo: Orange Grove Gardens, Abode Communities



## City of Pasadena

*Since 2001, the city of Pasadena has produced 1,370 units of affordable and workforce housing through an evolving and comprehensive combination of policies and programs. Many of these units are located near transit stops and employment centers, reflecting a commitment to these important linkages with housing.*

Pasadena (pop. 148,000), renowned for its high quality of life in southern California, faces formidable challenges in providing affordable housing in an expensive market with high land costs and a limited amount of developable real estate. The steady escalation of housing prices has made housing unaffordable even for households earning more than \$100,000 annually.

In a dedicated effort to overcome these challenges, the city since 2001 has provided direct funding assistance totaling over \$22 million to subsidize the construction, rehabilitation, and preservation of affordable housing. Pasadena's commitment to its housing vision, community engagement, and informed dialogue has produced a highly integrated and effective mix of goals, policies, and programs that have produced over 5,000 transit-oriented housing units since 2001, including 1,370 units of affordable and workforce housing. Funding resources include local sources (redevelopment housing setaside funds, inclusionary funds, city general funds); federal housing entitlements (the HOME Investment Partnerships Program, community development block grants, Section 8 project-based vouchers); and a variety of state housing programs.

Collaborative approaches among city departments as well as public/private agencies in the community have proved essential to the success of Pasadena's efforts.

The city's steady approach to tackling affordable housing needs are illustrated in three notable policies:

- the Inclusionary Housing Ordinance (2001);
- the Housing Incentives Fee Program (2004); and
- the Density Bonus Ordinance (2006)

Additional initiatives include Pasadena Housing Search, a free website that seeks to connect landlords to renters looking for housing, and Project HOUSED, which helps social-services providers and businesses identify permanent housing for the city's homeless population.

Pasadena initiated the first in its succession of workforce and affordable housing-friendly policies and programs when the City Council adopted the city's Inclusionary Housing Ordinance (IHO) in 2001. The IHO requires that residential developments of ten or more units set aside 15 percent of dwelling units as affordable housing. For rental projects, the required mix is 10 percent low income (51 to 80 percent of the Los Angeles County AMI), and 5 percent moderate income (81 to 120 percent of the Los Angeles County AMI). The affordability of the units is deed restricted in perpetuity. For homeownership, the required mix is 15 percent moderate income, and resale and equity share requirements are in place for 45 years pursuant to deed restrictions. The IHO allows developers to pay a fee in lieu of providing the inclusionary affordable units, which has generated about \$16.6 million in revenues. The city has used these funds to subsidize a variety of affordable housing projects, ranging from small urban infill homeownership projects to high-density seniors' housing. IHO has produced 446 affordable units to date, and an additional 253 are in the city's project entitlement pipeline.

The Housing Incentives Fee Program, adopted by the City Council in 2004, incentivizes affordable housing production by providing developers with significant reductions in impact fees, building permit fees, construction taxes, and transportation fees. The city also adopted its Density Bonus Ordinance in 2006, which provides developers of housing projects with affordable units with a bonus in the number of units that may be constructed on a site.

Pasadena embraces the transportation/housing/employment link in its 2014–2021 Housing Element. (California state law requires every city and county to

**“The success of affordable housing is rarely only financial. Even if funding is secured, gaining public acceptance is a prerequisite. Greater inclusiveness of the community in the early planning stages of a project can result in a smoother project approval process and a better project.**

William K. Huang  
Housing Director  
Pasadena, California



Avalon/Del Mar Station, Archstone





Fair Oaks Court, Heritage Housing Partners

**“The City’s Inclusionary Housing policy has not only filled the affordable housing gap by causing the development of hundreds of affordable housing units, but it has resulted in the geographic de-concentration of new affordable housing production -- which is an outcome that previously was challenging to achieve. “**

William K. Huang  
Housing Director  
Pasadena, California

have a housing element to plan to meet existing and projected housing needs, and that it be updated every five to six years). The plan targets growth and emphasizes linkages to transit by clustering mixed-use projects near light-rail stations, major corridors, and employment areas. As a result of efforts to encourage transit-oriented development, the majority of residential and mixed-use projects built during the 2000s were located within a half mile of a transit stop or employment center. Over 50 percent of the affordable units produced under IHO were developed along such major corridors. Two large IHO projects have been developed close to Gold Line light-rail stations, and a third project (totaling 212 units) is forthcoming.

Examples of the leveraging of public and private resources include federal funding (e.g., low-income housing tax credits and new markets tax credits), funding from a local historic preservation nonprofit organization, funding from academic institutions to support student housing, and leasing partnerships with local nonprofit groups. As part of the city’s entitlement review process, affordable housing projects undergo a rigorous process to ensure that they are indistinguishable from market-rate housing in terms of design, appearance, materials, and finished quality. Pasadena is one of the few cities in the region that has a Design Review Commission.

In addition, Pasadena’s efforts to promote affordable housing have extended beyond simple subsidies to encompass community outreach. According to William Huang, housing director for the city of Pasadena, “The success of affordable housing is rarely only financial. Even if funding is secured, gaining public acceptance is a prerequisite.”

Pasadena’s Green City Action Plan details more than 70 citywide initiatives to encourage sustainability, which include policies and programs that promote compact, walkable, mixed-use development and neighborhoods. The city provides incentives to encourage the design and construction of residential, mixed-use, and commercial buildings certified under the Leadership in Energy and Environmental Design (LEED) program.

Pasadena’s efforts to address a wide range of community housing needs have included housing affordable to very low-, low-, and moderate-income households, as well as seniors’ housing, housing for the homeless, special-needs housing, and student housing. The California Department of Housing and Community Development has recognized Pasadena’s affordable housing efforts that have reached far beyond statutory requirements with a top listing in its “Housing Elements Best Practices” selections.