

Part III: (GPAHNG) Orientation

What is affordable housing? What kinds of affordable housing exist in Pasadena? How does it happen? To whom do we advocate to get it passed?



What is affordable Housing?

The government defines affordable housing in two categories...

Homeownership, spending no more than **40%** of housing cost: PITI-Principal, interest, taxes and insurance. (New York, 20%, therefore, no foreclosures)

Rental: spending no more than **30%** of your income on housing. Here's an example:

If you have \$25,000/ year salary, $1/3=7,500$, or \$625 a month, plus utility allowance perhaps \$75/month, so they pay the landlord \$550.

Income Levels and AMI

Income bands help the government define the affordable housing need, and it helps funders to determine what level of subsidies are needed for the various income levels. The income levels are based on the AMI—the Area Median Income.

The incomes stated below are based on the AMI for Pasadena for maximum allowed for four-person household:

- 80 to 120% of the AMI is **moderate** (\$77,750)
- 50 to 80% of the AMI is **low-income** (\$68,300)
- 30 to 50% of the AMI is **very-low** (\$42,700)
- Less than 30% of the AMI is **extremely-low** (\$25,600)



Update on Housing Element Implementation

Planning & Community Development Department

City's progress on the 2014-2021 RHNA



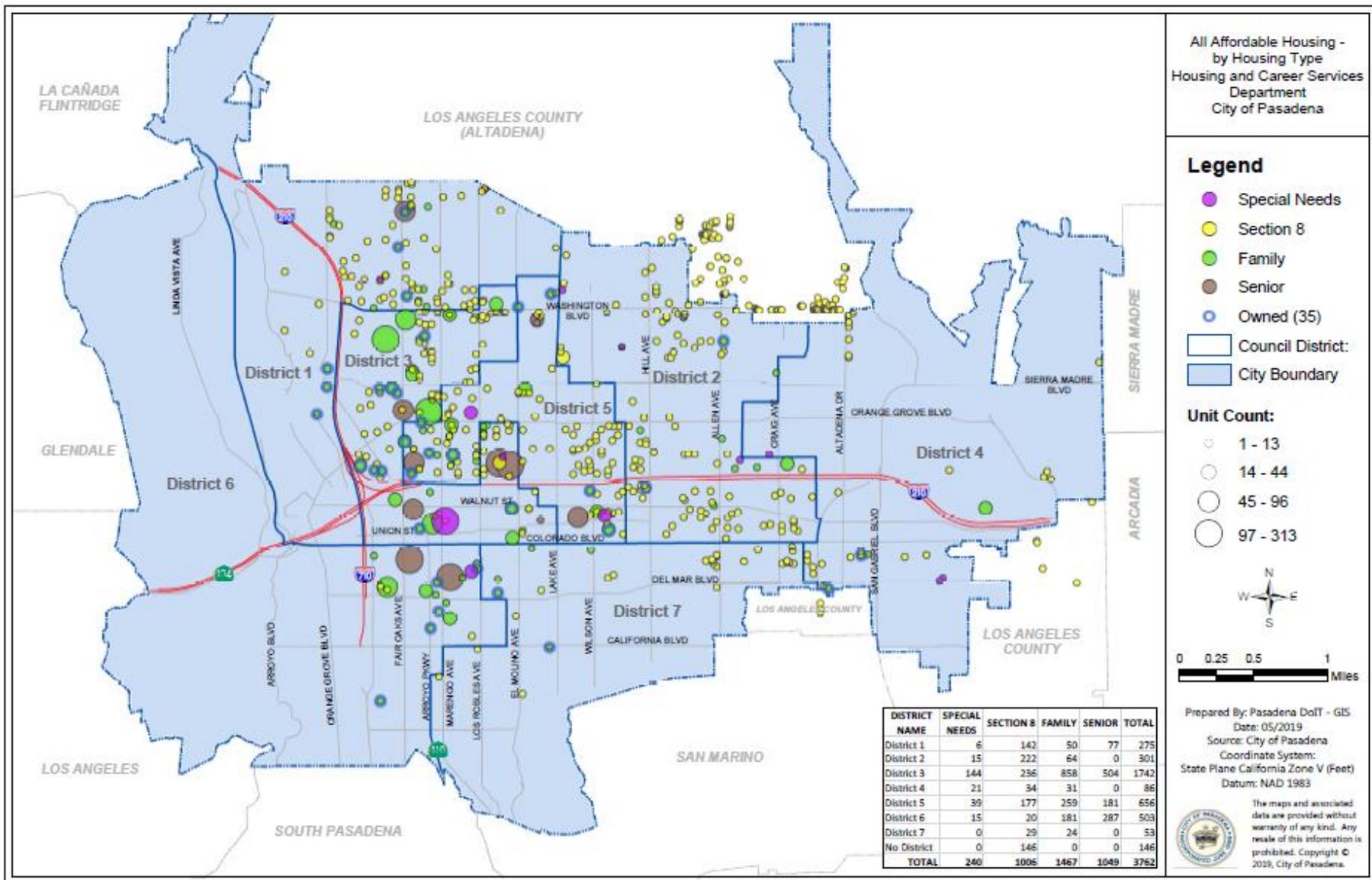
Income Category	% of Area Median Income (AMI)*	2014-2021 RHNA	Issued Building Permits**	Remaining RHNA
Very Low Income	<50% of AMI	340	149	191
Low Income	51 - 80% of AMI	207	38	169
Moderate Income	81 - 120% of AMI	224	45	179
Above Moderate Income	>120% of AMI	561	1,832	0
Total		1,332		539

* 2018 LA County AMI for a 4-person household: \$69,300

** Based on building permits issued for *new units* for the reporting period (up to October 2018)

TOTAL Number of Issued Building Permits = 2,064

Discuss:
How is Pasadena doing and its adjacent cities doing?
RHNA= the Regional Housing Need Assessment, an amount allocated for each city to seek to supply



Pop Quiz- True or False

1. T or F RHNA = the number of units allocated to for each city in CA to plan for, but not necessarily build.

2. T or F The government considers your apartment affordable if you are spending no more than 30% of your income on your total housing needs, including utilities.

3. T or F Homeowners should spend no more than 40% of their income on their mortgage, plus, property tax, utilities etc.

4. T or F The mayor and city staff all need affordable housing