



STAFF REPORT

TO: MAYOR AND COUNCIL MEMBERS **DATE: FEBRUARY 27, 2024**
FROM: COMMUNITY DEVELOPMENT **DISTRICT(S): 1**
SUBJECT: PRESENT THE SITE FEASIBILITY ANALYSIS FOR CITY OWNED PROPERTY AT 1762 DALE ROAD

RECOMMENDATION

That the City Council:

1. Review development scenarios and provide staff with direction on how to proceed with site's development.

EXECUTIVE SUMMARY

Every two years, the City conducts a "Community Survey" to identify key areas of concern and measure Glendora residents' overall satisfaction with municipal services. In 2022, survey results identified homeless issues and poverty as the number one issue that the City could change to make Glendora a better place to live.

In response, the City determined to pursue the acquisition of land to develop housing for residents who struggle to meet basic monthly living expenses. The search for available land led the City to acquire the property at Dale Road in July 2023. The City is currently preparing to demolish the existing on-site structures to make way for the development of housing options for households at varying income levels.

To help the City Council decide what type of development would most effectively address housing needs and respond to community priorities, staff engaged Economic & Planning Systems (EPS) and John Kaliski Architects (JKA) through the San Gabriel Valley Council of Government's Affordable Housing Incubator Program (Incubator Program). The results of their analysis are presented for City Council's consideration in the PowerPoint included as Attachment A.

LEGISLATIVE HISTORY / PREVIOUS ACTIONS

The 2022 Community Survey completed in August 2022 identified homeless issues and poverty as the number one issue that the City could change to make Glendora a better place to live.

The City Council approved a Purchase and Sale Agreement for acquisition of 1762 Dale Road in the amount of \$4,725,000 on April 25, 2023. Escrow closed on the sale on July 31, 2023.

On October 9, 2023, the City held a community meeting with residents and businesses to share information and receive community feedback on plans for the site. On December 12, 2023, the City held a homelessness workshop, which highlighted the City's homelessness programs and discussed existing challenges and opportunities.

DISCUSSION

To address community concerns over homelessness and poverty, the City Council authorized the purchase of the Dale property. While the City Council has not yet decided on specific parameters for

development, the site will be utilized to provide housing solutions for households within a range of low-income levels, potentially including those experiencing homelessness.

Many Glendora households fall into one of several lower income categories and may also be paying a higher percentage of their income for housing. Low-income is defined as household income below 80% of the Los Angeles County area median income (AMI) as adjusted for household size., however there are different levels of low-income including very low-income (below 50% AM) and extremely low-income (below 30% AMI). According to the American Community Survey conducted by the United States Census Bureau:

- A combined estimated total of 36% of Glendora households or approximately 6,100 are low-income:
 - 12% (2,100) households are Extremely Low-Income;
 - 8% (1,300) households are Very Low-Income; and
 - 16% (2,700) households are Low-Income.
- Households paying more than 30% of income toward housing are considered overburdened. The 2024 America's Rental Housing report released by Harvard University found that in 2022 more than 50% of renters in the nation pay more than 30% of their income towards rent. Households paying a larger percentage of their income for rent is further compounded for low-income families who have little leftover for food and other necessities.

Between March 2021 and March 2022, more than 500 low-income Glendora households received monetary assistance, a total of \$7,355,495, through the Housing is Key Rent Relief program administered by the State. Participation in this program indicates that a number of Glendorans struggled during COVID to keep their housing.

The City Council has taken an important step to address this issue of affordability at all income levels by acquiring the property at 1762 Dale Road. To assist with defining the parameters for a housing development, the Community Development Department, in partnership with the San Gabriel Valley Council of Governments (SGVCOG) under their Affordable Housing Incubator Program, prepared a site feasibility analysis. The analysis provides information on the different types of affordable housing, the different income levels, general site plans and financial feasibility. The analysis identifies three feasible development scenarios for the City Council's consideration:

- **Affordable Housing for Families:** Permanent apartment style housing. This type of development would maximize the site's capacity providing up to 79 units ranging from 1 to 3 bedrooms and available to households earning less than 60% AMI.
- **Affordable Housing for Special Needs:** Permanent apartment style housing for special needs such as veterans, the disabled or seniors earning less than 30%AMI. This type of development would maximize housing affordability, providing up to 79 units, mainly 1 bedroom or studio apartments to those most vulnerable to being homeless based on their extremely low-income status.
- **Transitional Housing:** Temporary housing, up to 50 tiny home units that would shelter those experiencing homelessness for up to 24 months.
- It should be mentioned that the analysis also considered utilizing the site for both permanent, affordable housing and transitional, temporary housing, however after researching and discussing the scenario with developers it was determined this scenario was financially infeasible and

therefore not modeled.

To help the City Council determine which scenario to pursue, the analysis focused on different factors including site planning, permanent versus temporary or transitional housing, intended occupant by income level, developer interest, City participation, financial feasibility, and the goal that each model maximizes. The following table summarizes the findings.

Factor	Affordable Housing Families	Affordable Housing Special Needs	Transitional Housing
Total Units (maximum):	79 units	79 units	50 beds or units
Length of Stay:	Permanent	Permanent	Temporary (up to 24mos)
Income Levels:	<= 60% (80%) AMI	<= 30% AMI	0 - 30% AMI
Developer Interest:	Med-High	High	Low
City Participation:	Land Donation Long Term Lease	Land Donation Long Term Lease	Local Grants Operational Support
Funding Competitiveness:	Medium	High	Low
Overall Positioning:	Maximize Site Capacity	Maximize Affordability	Prioritize Homeless

The site feasibility analysis provides an overview of three feasible development scenarios. Each scenario focused on a different target population, requires different site planning, and has different funding needs. To determine how to utilize the site most effectively, the Council might consider the following questions:

- Is the primary goal to address a particular housing need? Affordable housing is needed for households at all income levels. What type would best serve the community?
 - Affordable housing for families
 - Affordable housing for Special Needs and/or Extremely Low-Income Households
 - Transitional Housing for homeless
- Which type of housing is most appropriate for the neighborhood?
 - Affordable housing for families will target households with the highest incomes among the three scenarios but will also have the largest building at three stories. This type also adds the largest number of residents and is expected to generate the greatest number of automobile trips.
 - Affordable housing for special needs will target those who are most vulnerable to becoming homeless with incomes at or below 30% AMI. This conceptual site plan provides for a two-story building and reduced on-site parking. Residents in this category are less likely to own automobiles than larger and higher income households.
 - Homeless transitional housing will be in the form of tiny homes that will be less visible to the surrounding neighborhood. Few residents are expected to own automobiles.
- What is an acceptable level of City involvement?
 - The family and special needs affordable housing types limit the City's involvement to the acquisition and demolition costs with a land donation or long-term lease. The development would then be turned over to an affordable housing developer/operator to construct and manage the development.

- The homeless transitional housing scenario was found to have low developer interest, few public funding sources and would therefore require the greatest City involvement and financial commitment. Considering limited public funding sources, in addition to the acquisition and demolition costs, the City may need to fund the upfront costs of an estimated \$1.4 Million for the 50 tiny home units and ongoing operational costs of approximately \$1.825 Million annually.

Staff requests that the City Council consider the site feasibility analysis presented and provide staff with direction on how to proceed with site's development. With City Council direction, next steps may include a community meeting to solicit feedback which may be used for the preparation of an RFP for the site's development.

TIMELINE

FISCAL IMPACT

The site feasibility analysis was prepared through technical assistance from the San Gabriel Valley Council of Governments at no cost to the City. The financial impact of a future project will be determined based on the scope of the project the City Council wants to pursue and will be further elaborated on during analysis of future RFP responses.

ENVIRONMENTAL DETERMINATION

None.

Prepared By	Valerie Velasquez, Housing & Economic Development Manager
Concurs With	Not Applicable
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Certified to Availability of Funds	Kyle Johnson, Finance Director/City Treasurer
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Legal Review	Danny Aleshire, City Attorney
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CEQA Review	Not Applicable

ATTACHMENTS:

- A. PowerPoint – Site Feasibility Analysis