

# Pasadena, TX

# Analysis of Impediments to Fair Housing Choice

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Community Development Department

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PASADENA, TEXAS 77506

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# SECTION I: EXECUTIVE SUMMARY

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## INTRODUCTION

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The City of Pasadena, Texas has prepared an Analysis of Impediments to Fair Housing Choice (AI) to satisfy the requirements of the Housing and Community Development Act of 1974, as amended. This act requires that any community receiving Community Development Block Grant (CDBG) funds must affirmatively further fair housing. The City of Pasadena's Community Development Department oversees this program and is charged with the responsibility of conducting its CDBG program in compliance with the federal Fair Housing Act. The responsibility of compliance with the federal Fair Housing Act extends to nonprofit organizations and other entities which receive federal funds through the City of Pasadena.

Entitlement communities receiving CDBG entitlement funds are required to:

- Examine and attempt to alleviate housing discrimination within their jurisdiction;
- Promote fair housing choice for all persons;
- Provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, sex, disability, familial status, or national origin;
- Promote housing that is accessible to and usable by persons with disabilities; and
- Comply with the non-discrimination requirements of the Fair Housing Act.

These requirements can be achieved through the preparation of an Analysis of Impediments to Fair Housing Choice. The following Analysis of Impediments to Fair Housing Choice serves as a comprehensive look at fair housing issues in the City of Pasadena. The report includes an analysis of various demographic, economic, and housing indicators; a review of public and private sector policies that affect fair housing; and a review of the city's efforts to create fair housing choice. It is to be used as a resource document that the city can reference for insights into community needs and strategies that can help address those needs.

Fair housing choice means that residents have the necessary information, opportunity, and options to live where they choose without unlawful discrimination (24 CFR 5.152) and is composed of three components:

1. Analysis of Impediments to Fair Housing Choice
2. Taking Actions to Eliminate Identified Impediments
3. Maintenance of Records

## SUMMARY OF FINDINGS:

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The conclusion of this analysis has identified several current impediments to fair housing choice, some of which are related to those identified in the previous Analysis of Impediments. Key findings identified in this analysis to fair housing choice are:

- 1) Limited Incentives for Lower Cost Housing.
- 2) Barriers For People with Disabilities.
- 3) No Land Use Zoning.
- 4) High Number of Households with Severe Housing Problems.
- 5) Large Number of Housing Cost Burdened Households.
- 6) Above Average Amount of Crowding.
- 7) Reductions in Federal Financial Assistance.
- 8) Shortage of Housing Vouchers.
- 9) Inadequate Staffing for Housing Rehabilitation Program.
- 10) Large Homeless Population.
- 11) Declining Housing Affordability

## ACTIONS TO ADDRESS IMPEDIMENTS:

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In an effort to overcome or ameliorate barriers to fair housing choice, the City of Pasadena identified corresponding strategic actions for consideration and implementation. The actions listed will be addressed over the next five years, aligning the accomplishments of these actions with the consolidated planning cycle. Although it is likely that not all impediments will be eliminated in the short period of five years, the city will strive to affirmatively further fair housing and reduce these barriers to promote fair housing choice. Further details are found in the Fair Housing Action Plan section.

Action 1: Reform, Remove or Modify Regulatory Barriers to Additional Affordable Housing.

Action 2: Consider New Financial Incentives for Affordable Housing.

Action 3: Identify and Make Available Surplus Public Lands for Affordable Housing.

Action 4: Expand Tenant Outreach and Adopt Eviction Assistance and Prevention Measures.

Action 5: Continue to Inspect, Encourage and Promote Lead-based Paint Removal.

Action 6: Increase Funding for Local Homeless Programs.

Action 7: Expand Owner and Rental Rehabilitation Programs.

Action 8: Continue Promotion of Fair Housing.

## FAIR HOUSING CONCEPTS

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Housing choice plays a critical role in influencing individuals' and families' abilities to realize and attain personal, educational, employment, and income potential. The fundamental goal of HUD's fair housing policy is to make housing choice a reality through sound planning. Through its on-going focus on Fair Housing Planning (FHP), HUD "is committed to eliminating racial and ethnic discrimination, illegal physical and other barriers to persons with disabilities, and other discriminatory practices in housing." Among the recurring key concepts inherent in FHP are:

- *Affirmatively Further Fair Housing (AFFH)*: Under its community development programs, HUD requires its grantees to affirmatively further fair housing through three broad activities: 1) conduct an *Analysis of Impediments to Fair Housing Choice*; 2) act to overcome identified impediments; and 3) track measurable progress in addressing impediments and the realization of fair housing choice.
- *Affordable Housing*: Decent, safe, quality housing that costs no more than 30% of a household's gross monthly income for utility and rent or mortgage payments.
- *Fair Housing Choice*: The ability of persons, regardless of race, color, religion, national origin, disability, gender or familial status, of similar income levels to have the same housing choices.
- *Fair Housing Planning (FHP)*: Fair Housing Planning consists of three components, including The *Analysis of Impediments*; a detailed *Action Plan* to address identified impediments; and a monitoring process to assess progress in meeting community objectives. FHP consists of a close examination of factors that can potentially restrict or inhibit housing choice, and serves as a catalyst for actions to mitigate identified problem areas.
- *Impediments to Fair Housing*: Any actions, omissions, or decisions based upon race, color, religion, national origin, disability, gender, or familial status that restrict, or have the effect of restricting, housing choice or the availability of housing choice.
- *Low and Moderate Income*: Defined as 80% of the median household income for the area, subject to adjustments for areas with unusually high or low incomes or housing costs. *Very low income* is defined as 50% of the median household income for the area, subject to adjustments for areas with unusually high or low incomes or housing costs. Poverty level income is defined as 30% or below median household income.
- *Private Sector*: Private sector involvement in the housing market includes banking and lending institutions, insurance providers, real estate and property management agencies, property owners, and developers.
- *Public Sector*: The public sector for the purpose of this analysis includes local and state governments, regional agencies, public housing authorities, public transportation, community development organizations, workforce training providers, and community and social services.

## METHODOLOGY

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The analysis consists of a comprehensive review of laws, regulations, policies, and practices affecting housing affordability, accessibility, availability, and choice within the City of Pasadena. The assessment specifically includes an evaluation of:

- Existing socio-economic conditions and trends in the city, with a particular focus on those that affect housing and special needs populations.
- Public and private organizations that impact housing issues in the city and their practices, policies, regulations, and insights relative to fair housing choice.
- The range of impediments to fair housing choice that exists within both the urban center and other areas of the city.
- Specific recommendations and activities for the jurisdiction to address any real or perceived impediments that exist and ensure it meets federal requirements to affirmatively further fair housing by reducing or eliminating barriers to fair housing choice in the city.

The planning process was launched with a comprehensive review of existing studies for information and data relevant to housing needs and related issues. These documents included local comprehensive plans and ordinances; the 5-Year Consolidated Plan for the City of Pasadena; the previous Analysis of Impediments to Fair Housing Choice, among other policy documents.

## DEMOGRAPHICS AND TRENDS

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Utilizing quantitative data sources such as U.S. Census Bureau reports, American Community Survey data (ACS), the U.S. Bureau of Labor Statistics (BLS), PolicyMap, Federal Financial Institutions Examination Council (FFIEC), and local plans and reports, demographic and housing data was collected for the City of Pasadena to determine any patterns or trends that may indicate a concentration of protected classes in any one area of the city. Data collected and analyzed also included population demographics, household status, income, and other relevant data. Information on the availability of housing, including various housing types and sizes, affordability levels, and accessibility for disabled persons, was also reviewed.

## DATA COLLECTION

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Data collection included an analysis of fair housing choice and any limitations due to existing conditions within the city or surrounding localities. A comprehensive review of current land use policies, local laws, ordinances, and practices that may affect fair housing choice within the City was conducted.

ACS 2017-2021 five-year estimates were the most recent datasets at the time of research that incorporated all the issues for cross sectional analyses. It should be noted that the comparison of 2021 data to 2010 Census data is the best means for understanding trends that offer statistically significant forecasts on the demographic, economic, and housing trends for the next five to ten years. When available, more recent data is used to offer a static point of information, but should not be used to dismiss the wider trend analysis on which this report focuses. Data regarding fair housing lending policies and practices was analyzed using the Home Mortgage Disclosure Act (HMDA) and Private Mortgage Insurance Companies (PMIC).

## ORGANIZATION OF THE AI

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The ***Analysis of Impediments to Fair Housing Choice (AI)*** is an internal analysis of factors that may be potentially preventing access to fair housing choice in the community. Understanding the impediments to fair housing choice is an important step in addressing housing needs. This report is meant to provide information to decision makers in the community and assist in guiding the use of grant funds and other resources that target affordable housing.

In ***Section II***, the city's community demographics and economic characteristics are discussed. This section looks for the relationship between race or ethnicity and income. A household's income is a major component of access to affordable housing and a relationship between income and race may point to an impediment to fair housing choice.

***Section III*** focuses on the housing profile of the city. The cost and availability of units for both renters and homeowners are analyzed to determine if the existing housing stock meets the needs of the community. Additionally, construction patterns are addressed to look at future housing development.

***Section IV*** discussed lending practices and statistics. The demographics of applicants and information about loan denials are analyzed to determine if the lending market is contributing to impediments to fair housing choice or creating unreasonable barriers to being approved for a loan.

In ***Section V***, the impact of local public policies and programs is discussed. While well-intentioned, there are often unintended consequences to policies that may contribute to impediments to fair housing choice.

***Section VI*** identifies existing Fair Housing programming in the city and county, including the work of the Texas Department of Housing and Community Affairs. It also outlines Fair Housing complaint processes and lists complaints made in the city between 2018 and 2022. This section also describes citizen participation, four-factor analysis, and language access plan to identify the city's capacity to reach all residents.

In ***Section VII*** the city describes progress that has been made on implementing actions recommended by the 2017 Regional AI, including both public and private sector impediments.

***Section VIII*** is the Summary of Identified Impediments. This section reviews fair housing issues in the city, identifies barriers to fair housing choice, and outlines actions to address these barriers.

Lastly, ***Section IX*** provides a selection of recommendations to mitigate these barriers to affordable housing including a combination of planning, legal and financial tools.



## SECTION II: COMMUNITY PROFILE

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### DEMOGRAPHICS

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A key component in understanding impediments to fair housing choice is understanding the demographics of the city. Pasadena is in the southeast portion of Harris County, Texas and is part of the greater Houston-Woodlands-Sugar Land metropolitan area. The city of Pasadena was founded in 1893 but has a rich history that goes back to pre-colonial discovery. The impact of Spanish, Mexican, and Native American cultures can still be felt. At its foundation, the Analysis of Impediments to Fair housing Choice strives to determine how *people* are being impacted and if any groups are disproportionately impacted. It is important to recognize the impact the past has on the city today to understand impediments to fair housing that may exist.

Since its incorporation in 1928, the population of the city of Pasadena has increased substantially. The city has grown from approximately 1,600 people to over 150,000. Since 2010, the population increased by approximately 5,000 people (3.3%). The growth rate in Pasadena is significantly slower than the statewide rate of nearly 19%. The reasons for this difference is likely multifaceted and housing may be related to some of those factors.

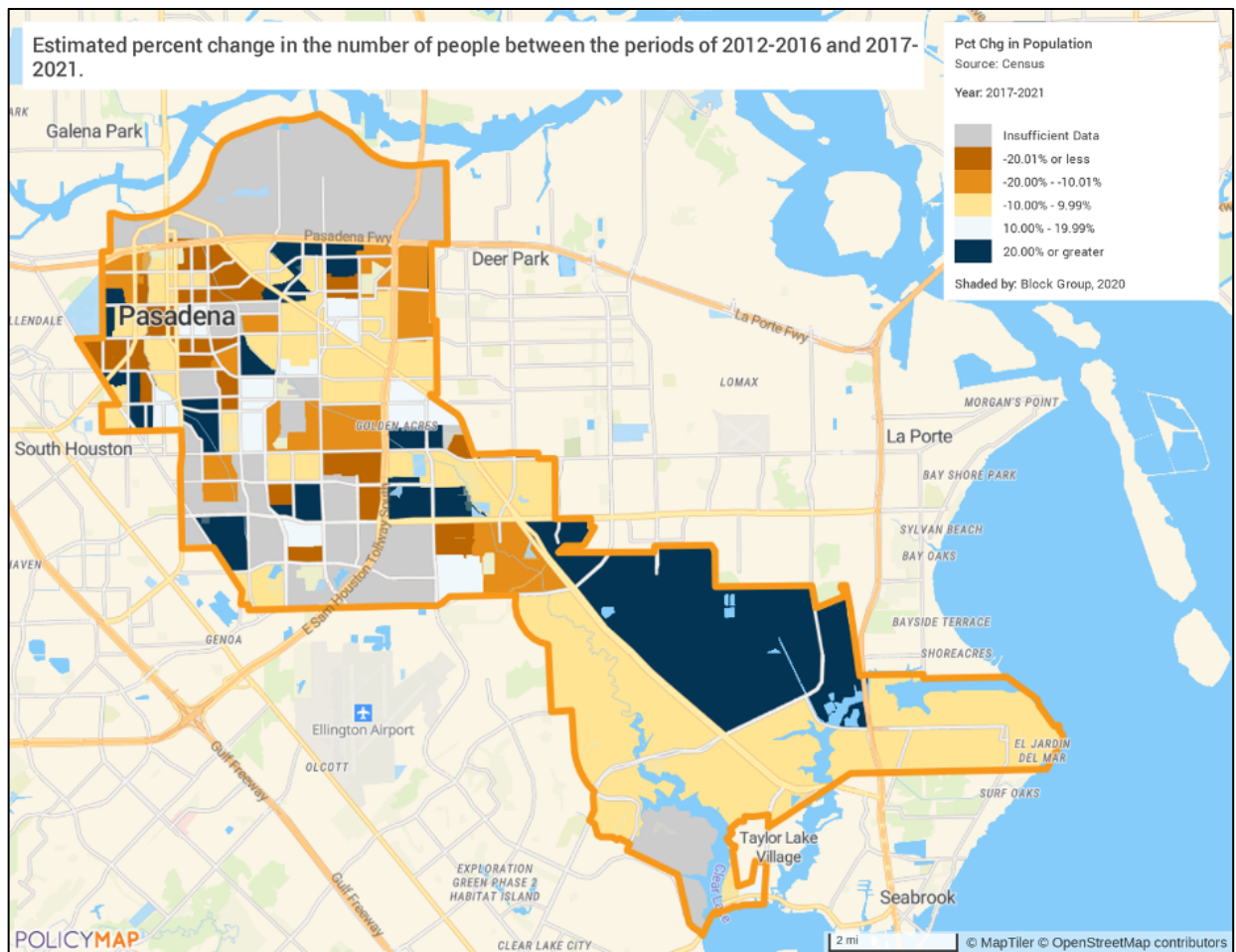
**TABLE: POPULATION – 2010 TO 2021**

City/State	2010	2021	% Change 2010-2021
Pasadena	147,077	151,964	+3.3%
Texas	24,311,891	28,862,581	+18.7%
Source: 2010 Census, 2017-2021 ACS 5-Yr Estimates (DP05)			

## CHANGE IN POPULATION

The population growth in Pasadena has not been uniform across the city. There are many tracts where the population has decreased over the last five years by 20% or more. These areas are identified by dark orange in the map below. The dark blue areas show the tracts where growth was 20% or more. There is not a clear pattern to the growth, or lack thereof.

MAP: CHANGE IN POPULATION



Source: United States Census Bureau ACS 2016-2020 via PolicyMap

## RACE AND ETHNICITY

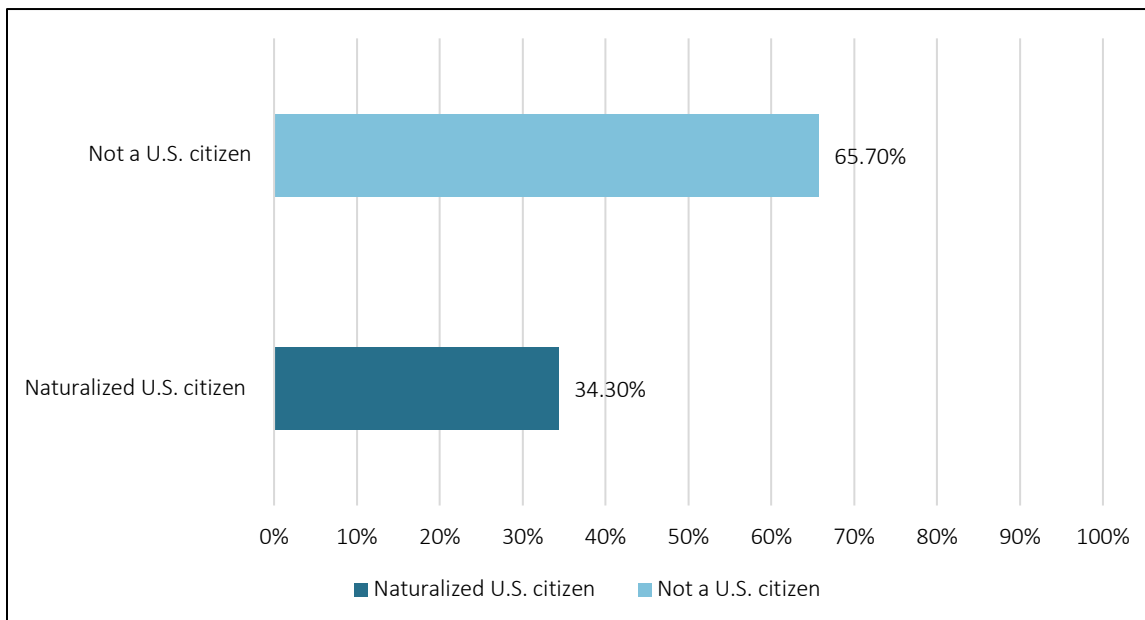
The city of Pasadena is a majority Hispanic city. The city of Pasadena is a majority Hispanic city with White, non-Hispanic households as the second largest group. It is not uncommon in this area of the state for a jurisdiction to be primarily Hispanic, but it does differ from the nationwide demographics.

**TABLE: POPULATION BY RACE AND ETHNICITY (DP05)**

	Population	Percent
Total Population	151,964	100.0%
<b>Race (non-Hispanic)</b>		
White	110,534	72.7%
Black or African American	3,811	2.5%
American Indian and Alaska Native	1,216	0.8%
Asian	2,394	1.6%
Native Hawaiian and Other Pacific Islander	28	0.0%
Other Single Race	8,778	5.8%
Multiracial	25,203	16.6%
<b>Ethnicity</b>		
Hispanic	109,019	71.7%
Not Hispanic	42,945	28.3%
Source: United States Census Bureau ACS 2017-2021 (DP05)		

The population of Pasadena is largely made up of residents who are not U.S. citizens. This is an important data point because non-citizens often face additional difficulties in accessing fair housing. Non-citizens are more likely to face language difficulties and economic struggles and may be victims of predatory landlords. Being aware of this helps the jurisdiction better serve the community.

**CHART: FOREIGN BORN POPULATION IN PASADENA**

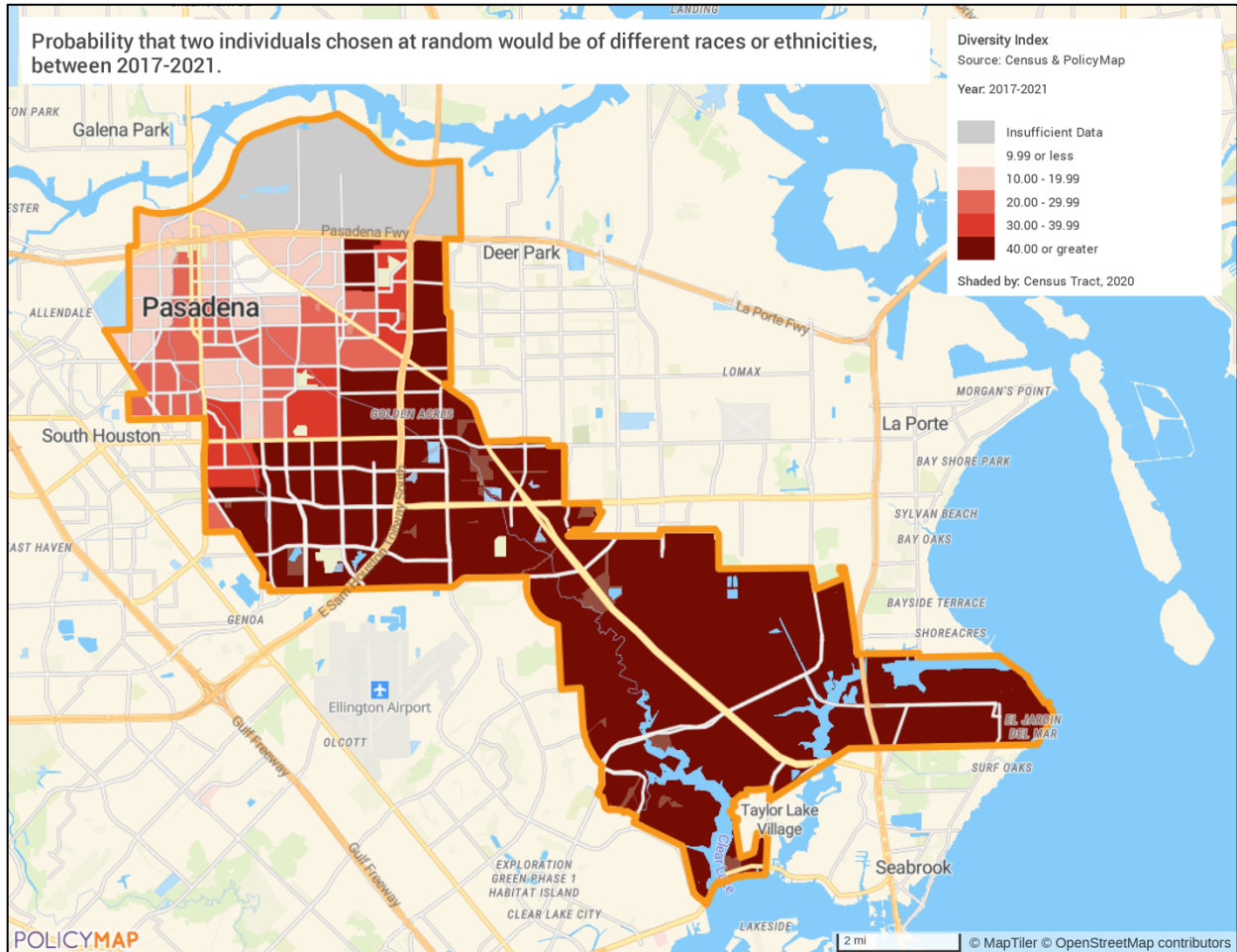


Source: United States Census Bureau ACS 2017-2021 (DP02)

## DIVERSITY

The following map shows how diverse different census tracts are throughout the city. The tracts that are shaded in darker red have a greater diversity than those shaded with lighter red and pink. Diversity appears to increase as you move south throughout the city with the most diverse areas in the southernmost tracts.

### MAP: DIVERSITY INDEX

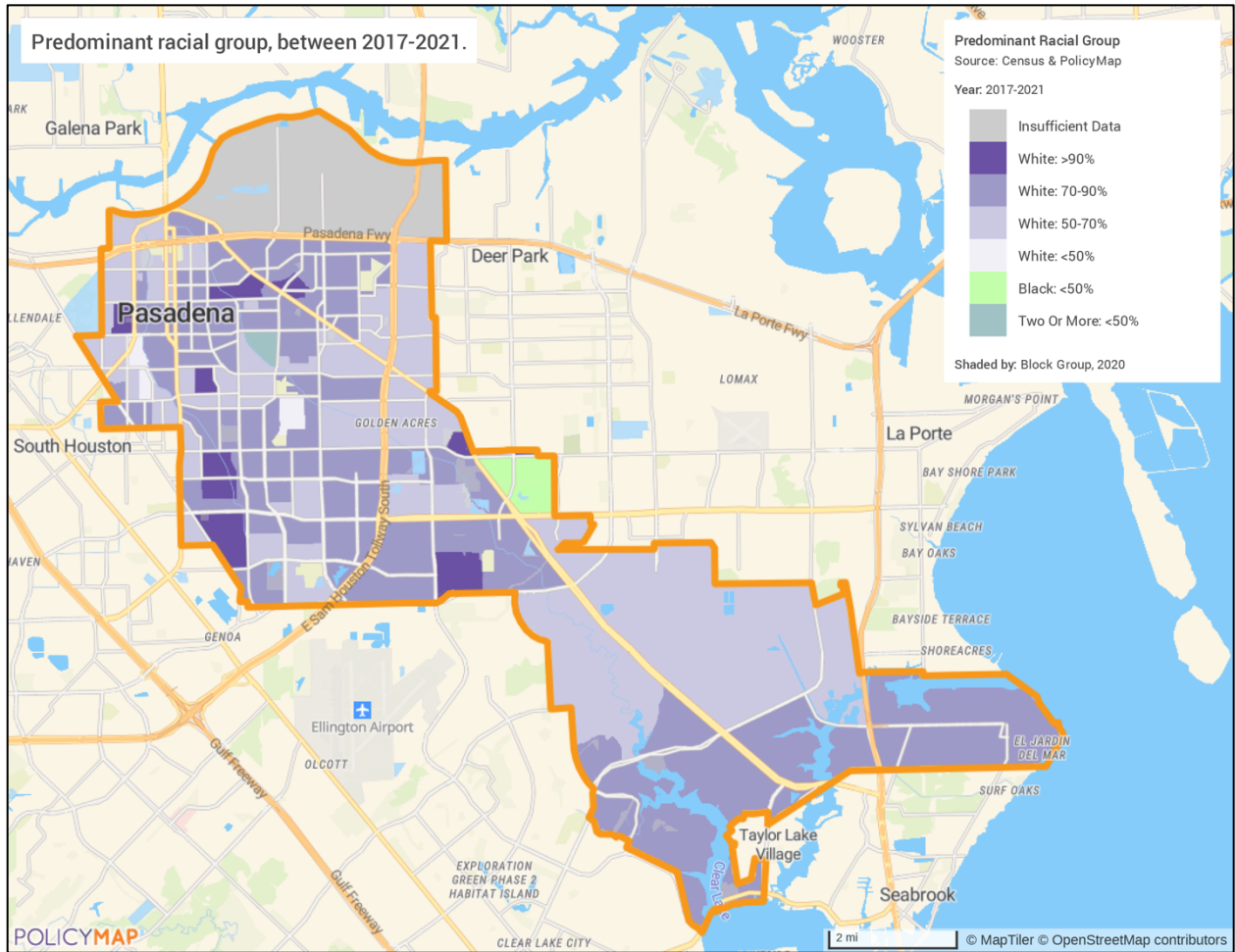


Source: United States Census Bureau ACS 2017-2021 via PolicyMap

## SEGREGATION/INTEGRATION

Racially, the most prominent group is White residents who are the predominant race in most tracts. This data does not distinguish between Hispanic and non-Hispanic White residents, which is a weakness to this analysis. However, it is worth being aware of these concentrations to determine if there is a connection between race and key economic indicators, such as poverty and income.

### MAP: PREDOMINANT RACE



Source: United States Census Bureau ACS 2017-2021 via PolicyMap

## AGE

Pasadena has a significantly lower median age than the state. According to the 2017 – 2021 ACS data, the median age in the city was 31.7, compared to 35 years in Texas. In 2021, residents 65 and older made-up 10 percent of the population of Pasadena. That is an increase of 2 percent from 2010, when persons 65 and older made up only 8 percent of the population. By contrast, the elderly population in the state grew from 10.1 percent to 12.5 percent in that period. The largest age cohort in the county is 25 to 34 years, with 14.3 percent of the total population (21,790 persons).

**TABLE: AGE DISTRIBUTION**

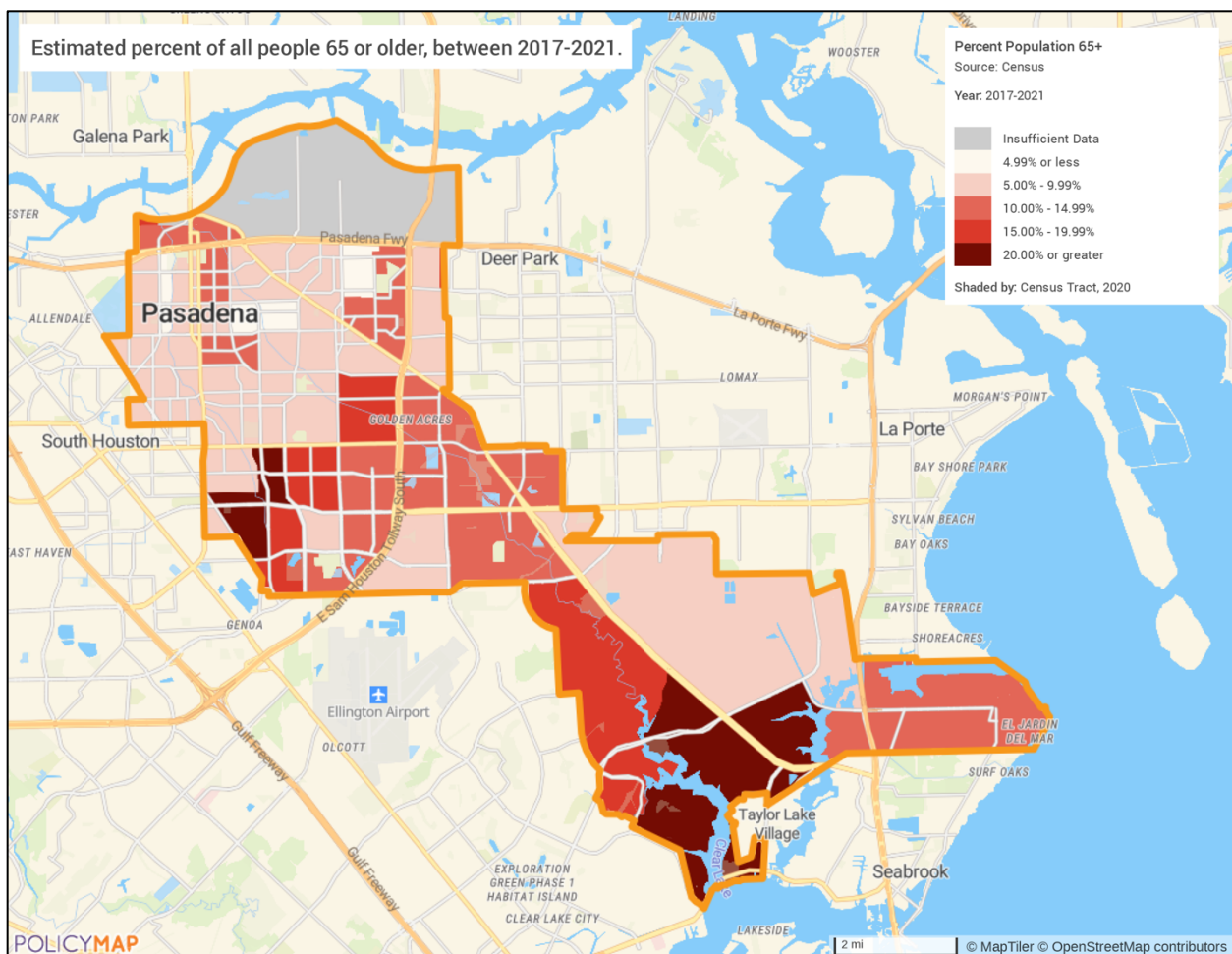
Age Cohort	2010		2021	
	Number	Percent	Number	Percent
Under 5 years	12,739	8.7%	12,313	8.1%
5 to 9 years	12,925	8.8%	11,914	7.8%
10 to 14 years	12,117	8.2%	13,254	8.7%
15 to 19 years	12,452	8.5%	12,372	8.1%
20 to 24 years	11,264	7.7%	10,920	7.2%
25 to 34 years	21,652	14.7%	21,790	14.3%
35 to 44 years	20,361	13.8%	20,020	13.2%
45 to 54 years	19,351	13.2%	18,253	12.0%
55 to 59 years	7,517	5.1%	9,028	5.9%
60 to 64 years	5,049	3.4%	6,928	4.6%
65 to 74 years	6,549	4.5%	9,997	6.6%
75 to 84 years	3,806	2.6%	3,913	2.6%
85 years and over	1,295	0.9%	1,262	0.8%
Median Age	30.4	(X)	31.7	(X)
Source: 2006-2010, 2017-2021 ACS 5-Yr Estimates (DP05)				



## ELDERLY

Meeting the housing needs of the elderly is especially important. As communities across the nation grow older, the needs of the elderly must be factored into community plans and programs to provide appropriate social services, healthcare, and housing. Housing is central to these evolving needs, particularly access to housing options that are decent, safe, affordable, accessible, and located in proximity to services and transportation. Housing is one of the most essential needs of the elderly because the affordability, location and accessibility of their residence will directly impact their ability to access health and social services – both in terms of financial cost and physical practicality. The availability of appropriate housing can be an impediment to fair housing choice. In Pasadena, the northern portion of the city has the lowest rate of residents over the age of 65.

**MAP: POPULATION AGE OVER 65**



Source: United States Census Bureau ACS 2017-2021 via PolicyMap

## DISABILITY

Residents with disabilities often require special housing units and have limited income, which makes affording safe and secure homes difficult. In Pasadena over 10% of the population has a disability, and the likelihood that a person has a disability increases with age. Over one third of residents over the age of 65 years old report at least one disability. In total, there are over 16,000 people who may need ADA accessible housing units. A lack of accessible units can be an impediment to fair housing access. Not only are the individuals with disabilities impacted, but their entire household can end up without appropriate housing. This issue is magnified with residents who are on a fixed income due to age.

**TABLE: DISABILITY STATUS OF THE CIVILIAN NONINSTITUTIONALIZED POPULATION**

Cohort	Number	Cohort Percent With Disability
Total Civilian Noninstitutionalized Population	151,188	--
<i>With a disability</i>	16,332	10.8%
Under 18 years	45,027	--
<i>With a disability</i>	2,413	5.4%
18 to 64 years	91,450	--
<i>With a disability</i>	8,821	9.6%
65 years and over	14,711	--
<i>With a disability</i>	5,098	34.7%
Source: 2017 – 2021 ACS 5-Yr Estimates (S1810)		



## HOUSEHOLD TYPES

In addition to age, race, and ethnicity, it is important to understand what types of households live in the community and what their needs might be. It isn't sufficient to have enough housing units available if those units are not the right size for residents. In Pasadena, approximately 58.6% of households are married or cohabitating couples. Of those, nearly half have a child under the age of 18 present. The needs of these households differ from the 10,000 householders living alone. If the supply of housing units does not include a variety of sizes, this can be an impediment to housing choice for some residents.

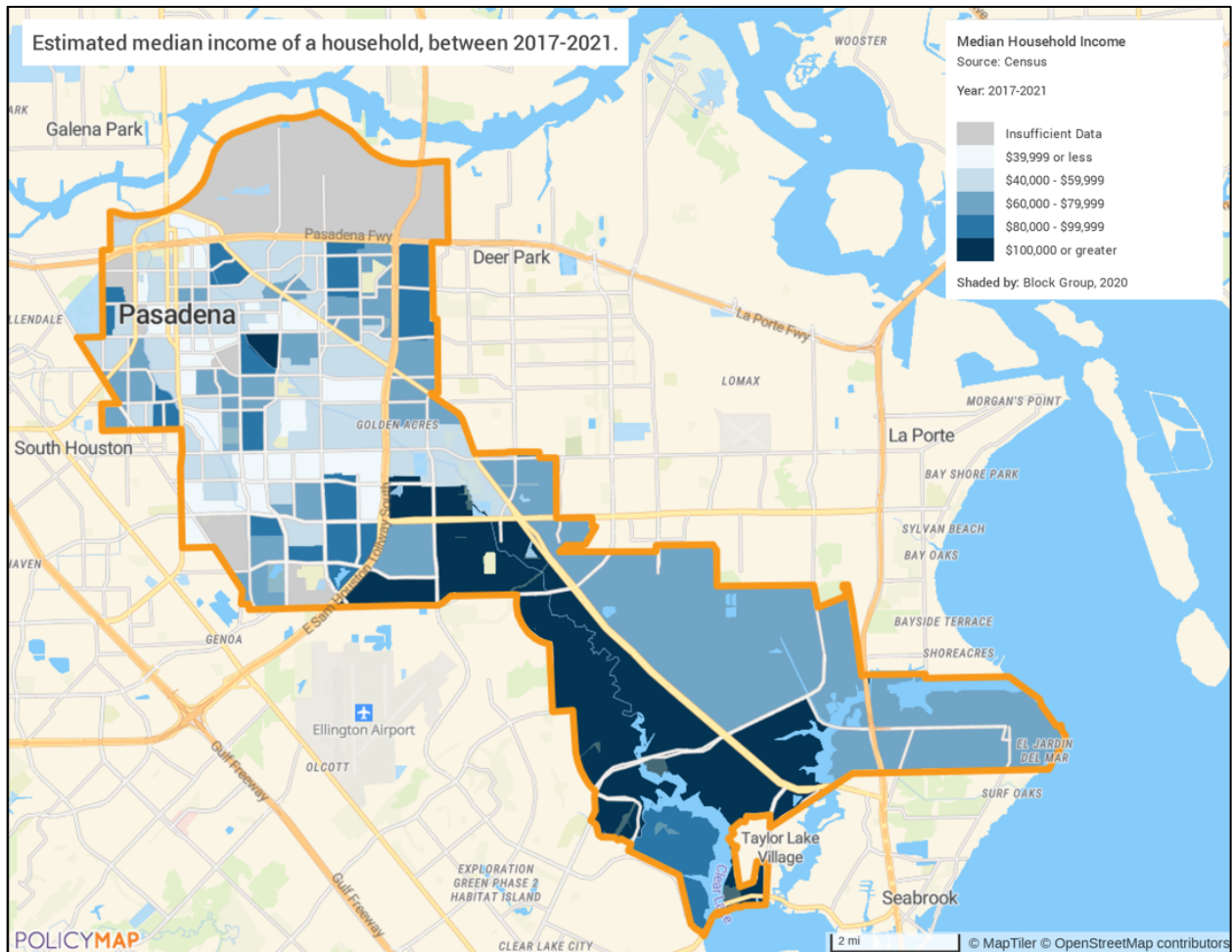
**TABLE: HOUSEHOLDS BY TYPE**

Type	Number	Percent
<b>Total households</b>	48,686	48,686
<b>Married-couple household</b>	<b>24,748</b>	<b>50.8%</b>
• With children of the householder under 18 years	11,506	23.6%
<b>Cohabiting couple household</b>	<b>3,786</b>	<b>7.8%</b>
• With children of the householder under 18 years	2,036	4.2%
<b>Male householder, no spouse/partner present</b>	<b>8,161</b>	<b>16.8%</b>
• With children of the householder under 18 years	674	1.4%
• Householder living alone	5,309	10.9%
- 65 years and over	904	1.9%
<b>Female householder, no spouse/partner present</b>	<b>11,991</b>	<b>24.6%</b>
• With children of the householder under 18 years	3,908	8.0%
• Householder living alone	4,691	9.6%
- 65 years and over	2,249	4.6%
<b>Households with one or more people under 18 years</b>	<b>20,757</b>	<b>42.6%</b>
<b>Households with one or more people 65 years and over</b>	<b>10,873</b>	<b>22.3%</b>
Average household size	3.10	(X)
Average family size	3.62	(X)
Source: 2017 – 2021 ACS 5-Yr Estimates (DP02)		

## INCOME AND POVERTY

Due to the possible correlation between race and geography it is important to determine if there is a similar correlation between income and geography. The following map shows the median household income by block group. The areas with the highest median household income are in the southern portion of the city. This area had the highest diversity index scores. In many tracts of the northern part of the city the reported median household income was half what it was elsewhere, particularly in the south.

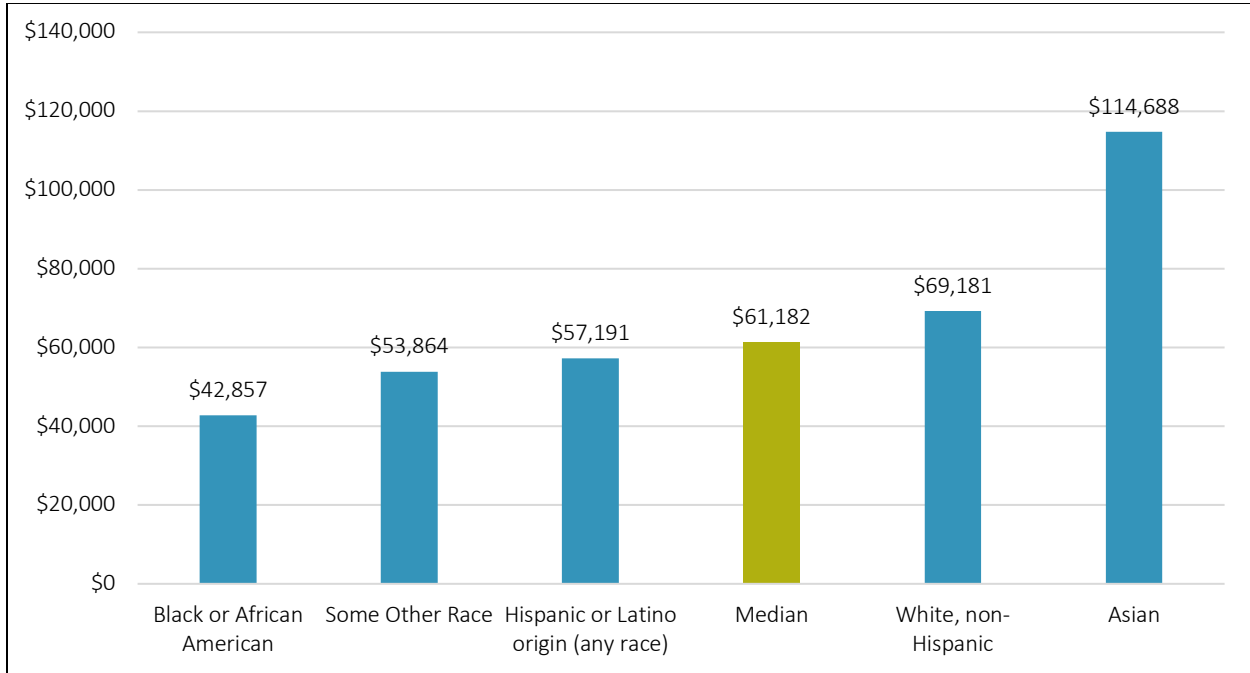
**MAP: MEDIAN HOUSEHOLD INCOME**



Source: United States Census Bureau ACS 2017-2021 via PolicyMap

The data below shows that there is a correlation between race, ethnicity, and median household income. White, non-Hispanic households and Asian households have an income higher than the citywide median, while other groups are below. The lowest income is reported by Black or African American families, and it is nearly \$20,000 less than the overall median household income.

**CHART: HOUSEHOLD MEDIAN INCOME BY RACE/ETHNICITY**



Source: United States Census Bureau ACS 5- Year Estimates 2017-2021 (S1903)

Income and poverty are closely related. In Pasadena the citywide poverty rate is 17.9% but there are differences in poverty rate among racial and ethnic groups. Unsurprisingly, Black and African American households reported the highest poverty rates due to low median household income. Conversely, White non-Hispanic and Asian households report poverty rates significantly lower than other groups.

**TABLE: POVERTY BY RACE AND ETHNICITY**

	Population Below Poverty Level	Percent Below Poverty Level
Citywide	150,876	17.9%
White, non-Hispanic	34,000	10.6%
Black	3,598	39.3%
American Indian and Alaska Native	1,216	30.5%
Asian	2,384	7.6%
Native Hawaiian and Other Pacific Islander	28	0.0%
Multiracial	25,128	17.6%
Hispanic	108,634	19.8%

Source: United States Census Bureau ACS 2017-2021 (S1701)

## COST BURDEN

According to HUD, households paying more than 30% of their monthly household income towards housing costs are “cost burdened.” When a household is cost burdened, they are at an increased risk of homelessness and a substandard living environment. To analyze the impact of cost burden on residents, the population is separated into three housing types: homeowners with a mortgage, homeowners without a mortgage, and renters.

Renters are, by far, the most cost burdened group in the city. Over 46% of renters are cost burdened and approximately 38% of renters pay 35% or more of their income toward housing costs. Even without considering housing cost burden, renters have greater housing instability and a greater likelihood of needing assistance. A household that can purchase property within their means is able to provide a more secure housing situation and create intergenerational wealth. First time homebuyer assistance and assisting renters who wish to own a home is one proven way to help alleviate financial pressure on renters.

Homeowners have a significantly lower cost burden rate, but there are still homeowner households within the city who lack the income necessary for economic security. Approximately 10% of homeowners without a mortgage and approximately 23.6% of homeowners with a mortgage are cost burdened. Homeowners without a mortgage have a particularly low-cost burden rate. However, they also are more likely to be elderly and may lack disposable income, meaning any increase in housing costs can cause significant problems.

**TABLE: MONTHLY HOUSING COSTS**

	Homeowners with a Mortgage		Homeowners without a Mortgage		Renters	
	Number	Percentage	Number	Number	Percentage	Number
Less than 20%	6,498	49.7%	10,574	81.8%	5,670	26.2%
20.0 to 24.9%	2,420	18.5%	665	5.1%	3,096	14.3%
25 to 29.9%	1,071	8.2%	397	3.1%	2,876	13.3%
30 to 34.9%	559	4.3%	312	2.4%	1,725	8.0%
35% or more	2,518	19.3%	973	7.5%	8,240	38.1%
<b>Total Cost Burdened</b>	<b>3,077</b>	<b>23.6%</b>	<b>1,285</b>	<b>9.9%</b>	<b>9,965</b>	<b>46.1%</b>
Source: 2017-2021 ACS 5-Yr Estimates (DP04)						

## DISPROPORTIONATE HOUSING NEEDS

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HUD identifies four housing problems to be analyzed in the Consolidated Plan: incomplete kitchen facilities, incomplete plumbing facilities, overcrowding, and cost burden. The city's 2023-2027 Consolidated Plan reviewed the available HUD data to identify racial or ethnic groups that have a disproportionately greater need than the needs of the total population in that income category. Per the Consolidated Plan:

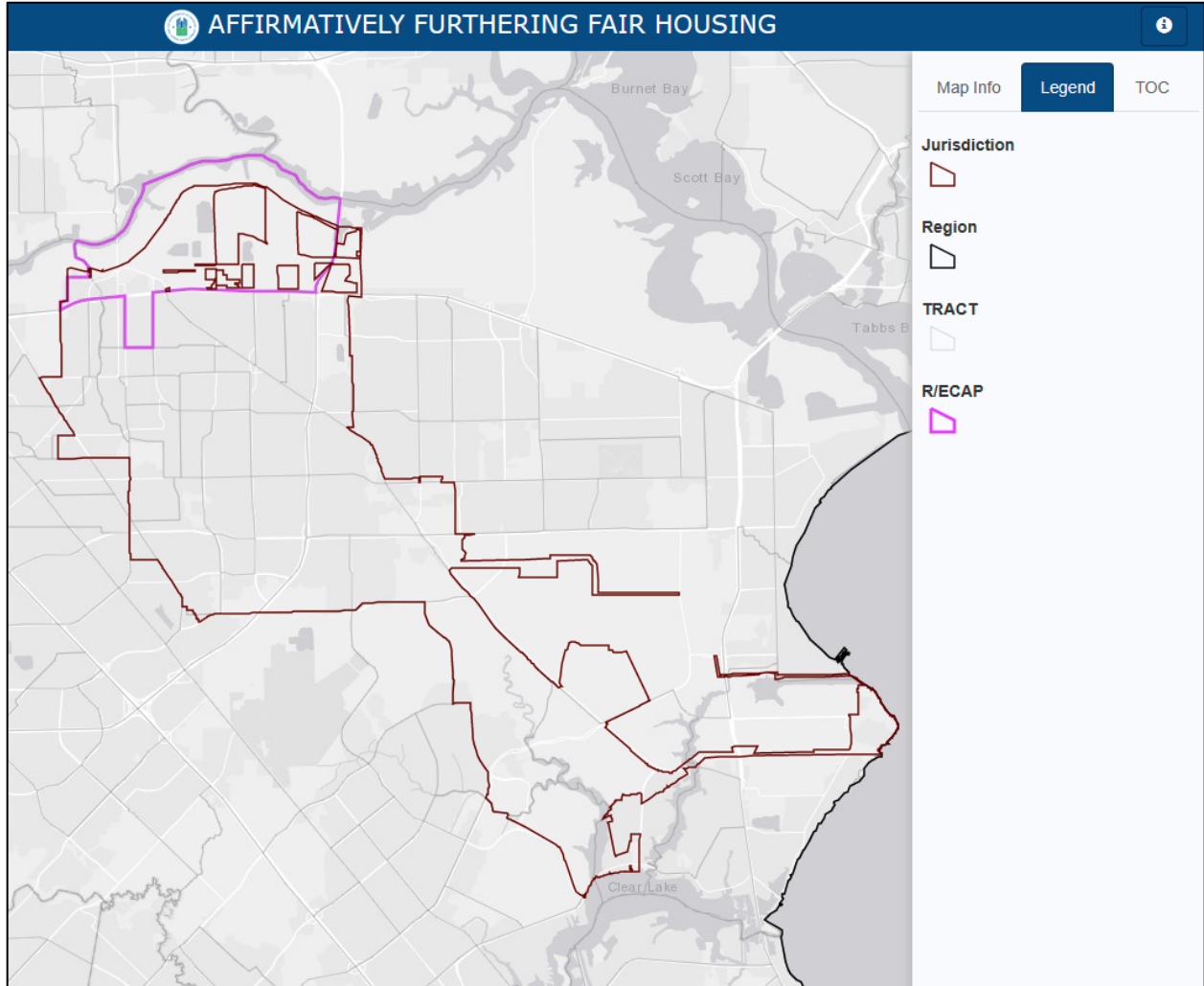
*“Pacific Islanders, Black/African American, American Indian, Alaska Native and Asian were the racial groups with disproportionate needs greater than the needs of that income category as a whole. Although these racial groups had a higher percentage of need than the total jurisdiction, they also represented a small portion of the population. Analysis of the data provided shows Hispanics make up more than half of the households within each jurisdiction as a whole. Although there was not a disproportionately greater need, the percentage for Hispanics in each income category came in higher than the total jurisdiction, therefore Hispanic households also have substantial disparities.”*

The first step in addressing disparities is recognizing they exist. This allows the city to plan accordingly and determine if disproportionate housing needs impact fair housing choice.

## RACIALLY/ETHNICALLY CONCENTRATED AREAS OF POVERTY (R/ECAP)

One key issue that HUD has identified is areas of racial or ethnic concentrations of poverty and the relationship between financial characteristics and location. According to the most recent data available, the northern section of Pasadena is a R/ECAP.

### MAP: R/ECAP TRACTS



Source: Department of Housing and Urban Development AFFH Mapping Tool (AFFHT0006)

## SECTION III: HOUSING PROFILE

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The availability of housing in a variety of types, sizes, and costs is imperative for access to fair housing choice. For a community to attract and maintain residents there must be housing available for all types of families of all income levels, both for renters and homeowners. It is not enough to consider just the number of units in the city. If the specific units available don't meet the needs of the community, then that impedes access.

### HOUSING STOCK

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Throughout Pasadena, the one-unit, detached structure is the most common property type. Since 2010, the housing stock in the city has grown by less than 1%. As noted in the demographic profile, the population has grown by 3.3%. The number of units available is not keeping pace with the population, which could lead to overcrowded units or other substandard living situations.

The availability of single-family structures<sup>1</sup> has remained stable over the last 10 years. However, the actual type of single-family structures has changed. The number of 1-unit attached structures has decreased by over 700 units while the number of 1-unit detached structures has increased. 1-unit detached structures are the most expensive housing type to produce and a lack of alternatives can contribute to rising housing costs.

An important group of property types are called the "Missing Middle" and represent those that are neither 1-unit structures nor large complexes with 20 or more units. These units tend to provide affordable housing options for many residents but are uncommon in many communities. They also tend to be overlooked when communities build new housing developments. In Pasadena, approximately 18.9% of all units are classified as missing middle. This is a decrease from 2010 when 22% of housing units were in this important category. In total, over 1,600 missing middle units were lost over the last 10 years. During this same period, there was a significant increase in the number of large multifamily structures with over 20 units. While large multifamily structures provide lower costs than single unit, they often lack variety and larger units desired by many families.

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<sup>1</sup> HUD defines a single-family structure as one in which there are 1-4 units present.

**TABLE: PROPERTY TYPE IN 2010 AND 2021**

	2010		2021	
	Number	Percentage	Number	Percentage
1-unit, detached structure	31,009	58.1%	31,804	59.1%
1-unit, attached structure	1,288	2.4%	552	1.0%
2 units	426	0.8%	514	1.0%
3 or 4 units	1,550	2.9%	1,321	2.5%
5-9 units	3,706	6.9%	3,721	6.9%
10-19 units	6,066	11.4%	4,554	8.5%
20 or more units	6,995	13.1%	8,552	15.9%
Mobile Home	2,230	4.2%	2,794	5.2%
Boat, RV, Van, etc.	130	0.2%	0	0.0%
<b>Total</b>	<b>53,400</b>	<b>100%</b>	<b>53,812</b>	<b>100%</b>

Source: 2006-2010, 2017-2021 ACS 5-Yr Estimates (DP04)

The number of bedrooms a unit has is an important factor in meeting a family’s needs. When there is a lack of large units it can lead to overcrowding and when there is a lack of small units, it leads to households paying more than necessary. Since 2010, there has not been a major shift in the availability of units by number of bedrooms, but some minor shifts have occurred. The availability of 1-bedroom units has decreased by nearly 1,000 units, while large units with five or more bedrooms, studio units, and units with two bedrooms have all increased. The target demographic for 1-bedroom units is limited and can exacerbate potential overcrowding caused by the slow production of housing units.

**TABLE: UNIT SIZE**

	2010		2021	
	Number	Percentage	Number	Percentage
No bedroom	746	1.4%	1,213	2.3%
1 bedroom	9,428	17.7%	8,462	15.7%
2 bedrooms	13,290	24.9%	13,832	25.7%
3 bedrooms	21,670	40.6%	21,723	40.4%
4 bedrooms	7,024	13.2%	6,839	12.7%
5 or more bedrooms	1,242	2.3%	1,743	3.2%
<b>Total</b>	<b>53,400</b>	<b>100%</b>	<b>53,812</b>	<b>100%</b>

Source: 2006-2010, 2017-2021 ACS 5-Yr Estimates (DP04)



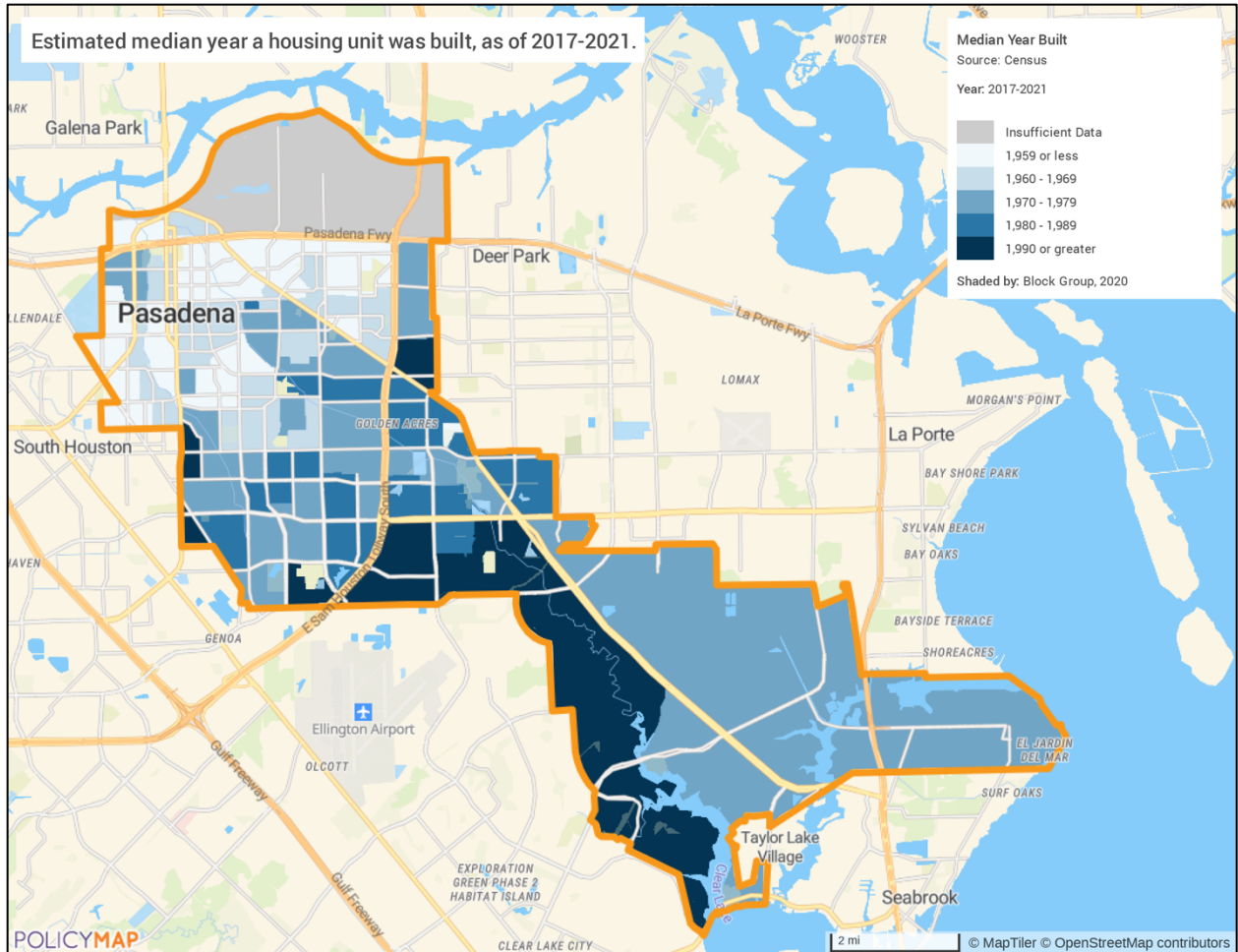
The statewide housing stock is newer than the housing stock in Pasadena. Nearly 60% of the city’s housing stock was built prior to 1980. At the state level, only one-third of the housing stock was built prior to 1980. Units built prior to 1980 are at risk of having lead-based paint in them and require special care during rehabilitation. That means that nearly 32,000 units in Pasadena could have a lead-based paint hazard. A more extensive look at the age of housing and lead-based paint hazard risk is completed in the city’s Consolidated Plan. However, it is worth noting here as well because a lack of safe units can be an impediment to fair housing choice.

**TABLE: YEAR UNIT BUILT**

	Texas		Pasadena	
	Number	Percentage	Number	Percentage
Built 2020 or later	39,783	0.30%	25	0.00%
Built 2010 to 2019	1,622,470	14.20%	2,113	3.90%
Built 2000 to 2009	2,105,392	18.40%	4,825	9.00%
Built 1990 to 1999	1,673,976	14.60%	7,078	13.20%
Built 1980 to 1989	1,798,169	15.70%	7,057	13.10%
Built 1970 to 1979	1,643,368	14.40%	11,225	20.90%
Built 1960 to 1969	979,599	8.60%	8,244	15.30%
Built 1950 to 1959	841,347	7.40%	9,603	17.80%
Built 1940 to 1949	348,819	3.10%	2832	5.30%
<b>Total</b>	<b>11,433,880</b>	<b>100%</b>	<b>53,812</b>	<b>100%</b>
Source: 2017-2021 ACS 5-Yr Estimates (DP04)				

There is a clear geographic pattern to the age of units in Pasadena. Census block groups located in the northwestern part of the city have a much lower median year built for its housing stock than groups in the south. In most northern block groups, the median year built is prior to 1960 and there are only a handful of tracts throughout the city where the median age is after 1980.

**MAP: MEDIAN YEAR BUILT**



Source: United States Census Bureau ACS 2017-2021 via PolicyMap

## OCCUPANCY CHARACTERISTICS - HOUSING TENURE

Home ownership is a key component of securing multi-generational wealth and stability. Disparities in access to home ownership can be an impediment to fair housing choice, particularly when they are linked to race or ethnicity. In Pasadena, approximately 54% of households live in owner-occupied units, which is a slight decline from 2010.

**TABLE: HOUSING OCCUPANCY IN 2010 AND 2021**

	2010		2021	
	Number	Percentage	Number	Percentage
<b>Total Housing Units</b>	53,400	100%	53,812	100%
<b>Occupied Housing Units</b>	47,328	88.6%	48,686	90.5%
<i>Owner Occupied Units</i>	26,928	56.9%	26,107	53.6%
<i>Renter Occupied Units</i>	20,400	43.1%	22,579	46.4%
<b>Vacancy Housing Units</b>	6,072	11.4%	5,126	9.5%
Source: 2006-2010, 2017-2021 ACS 5-Yr Estimates (DP04)				

Home ownership rates in the city are correlated with race and ethnicity. Asian and White, non-Hispanic households have the highest home ownership rates. Black or African American households have a significantly lower home ownership rate than other groups. Given the relationship between race, ethnicity, and income discussed previously, this is an expected result and reinforces the possibility of an impediment to fair housing choice existing.

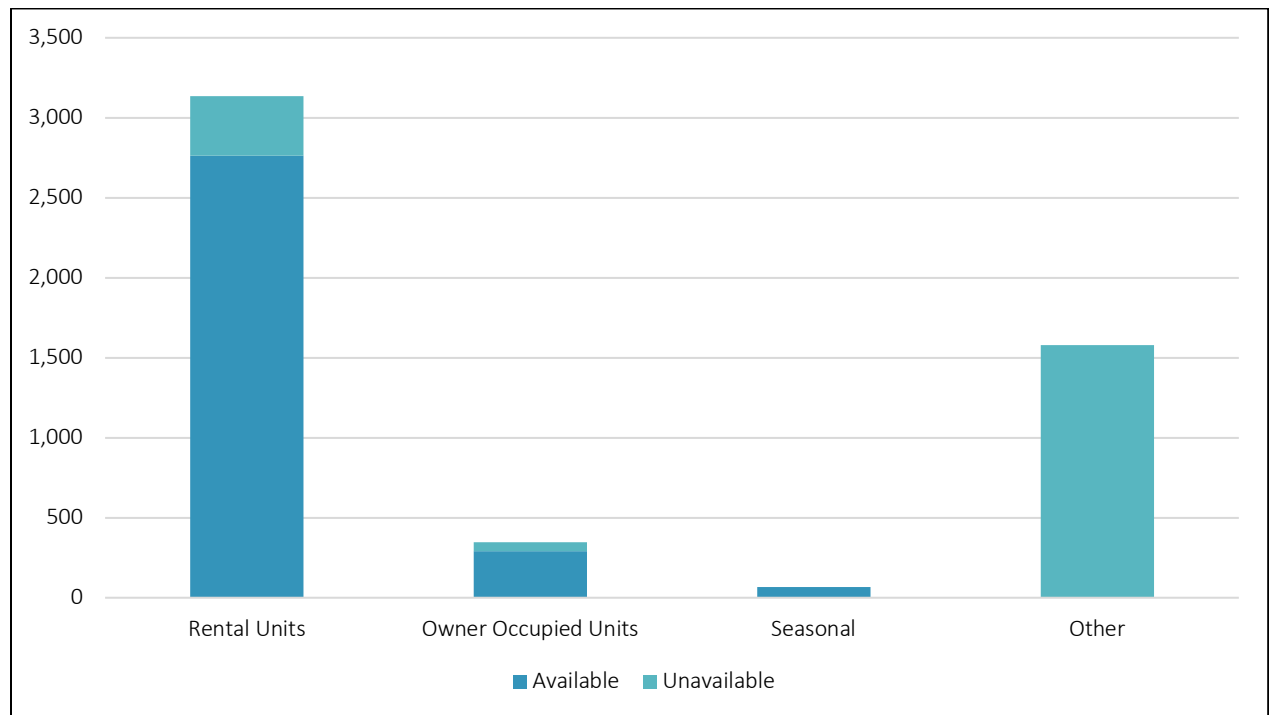
**TABLE: PASADENA HOMEOWNERSHIP BY RACE/LATINO ETHNICITY 2021**

	Owners	Renters	Home Ownership Rate
White, not Hispanic or Latino	10,441	5,850	64.1%
Black or African American	148	1,198	11.0%
American Indian and Alaska Native	144	186	43.6%
Asian	657	141	82.3%
Native Hawaiian and Other Pacific Islander	0	0	N/A
Some other race	1,641	1,231	57.1%
Two or more races	3,298	3,711	47.1%
Hispanic or Latino origin	14,442	15,205	48.7%

## VACANCY

In Pasadena, there are approximately 5,126 vacant units throughout the city. Rental units are most likely to be vacant, particularly available units that do not have a current renter. This may be due to several issues, including unit sizes that do not match consumer needs and unit costs beyond a household's ability to pay. The second largest vacancy category is primarily made up of units that are unfit for human habitation, or the ownership is unknown. These are classified as "other". The number of vacant units for sale is relatively low when compared to other groups. Given the low number of vacancies there may be a need for more owner-occupied units within the city.

**CHART: STATUS OF VACANT UNITS**

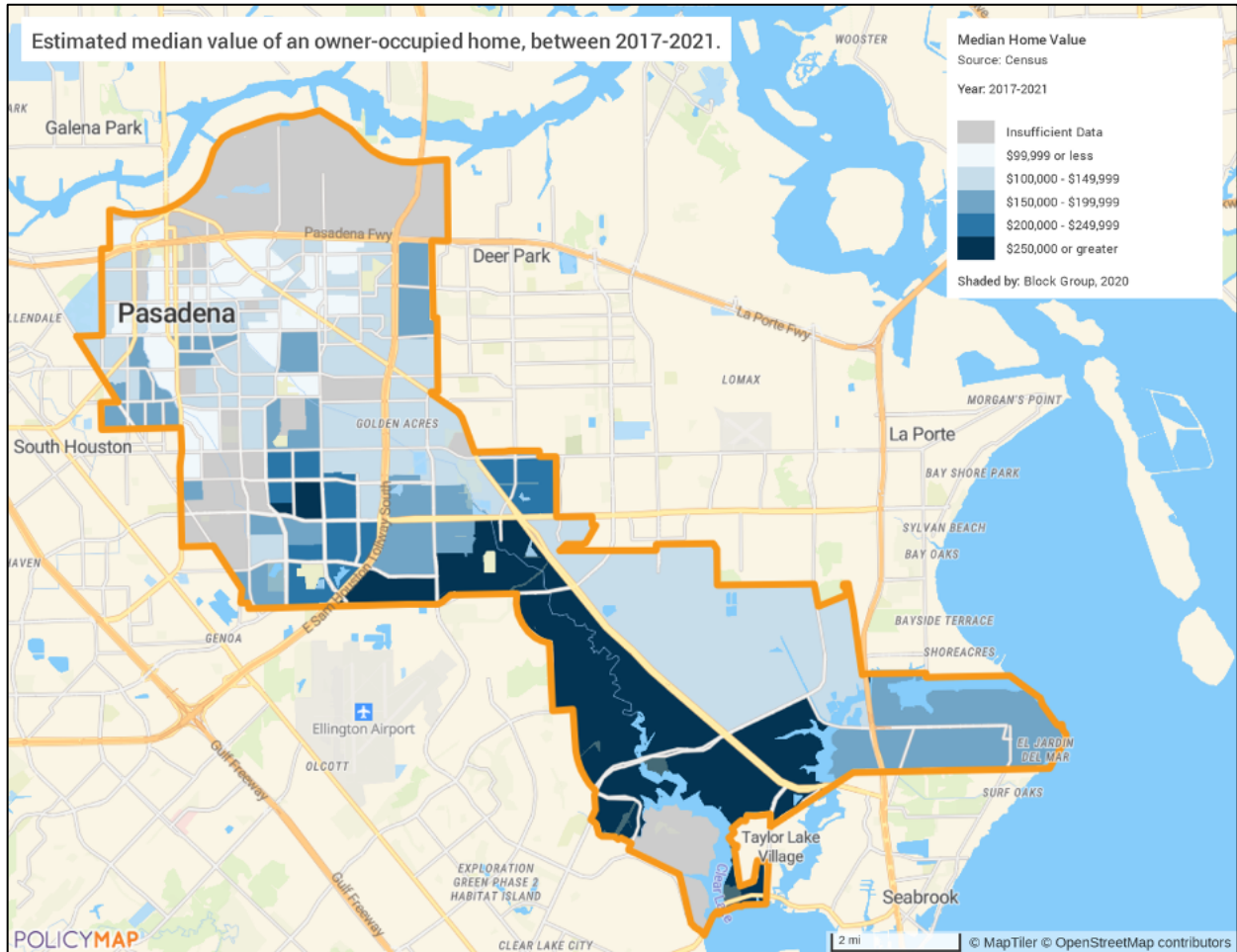


Source: United States Census Bureau ACS 2017-2021 (B25004)

## OWNER-OCCUPIED UNITS

The price of owner-occupied units appears to be closely related to geography. Areas in the northwest portion of Pasadena have a lower home value than elsewhere. As noted above, this lower home value area is also where older units are more prevalent.

### MAP: MEDIAN VALUE

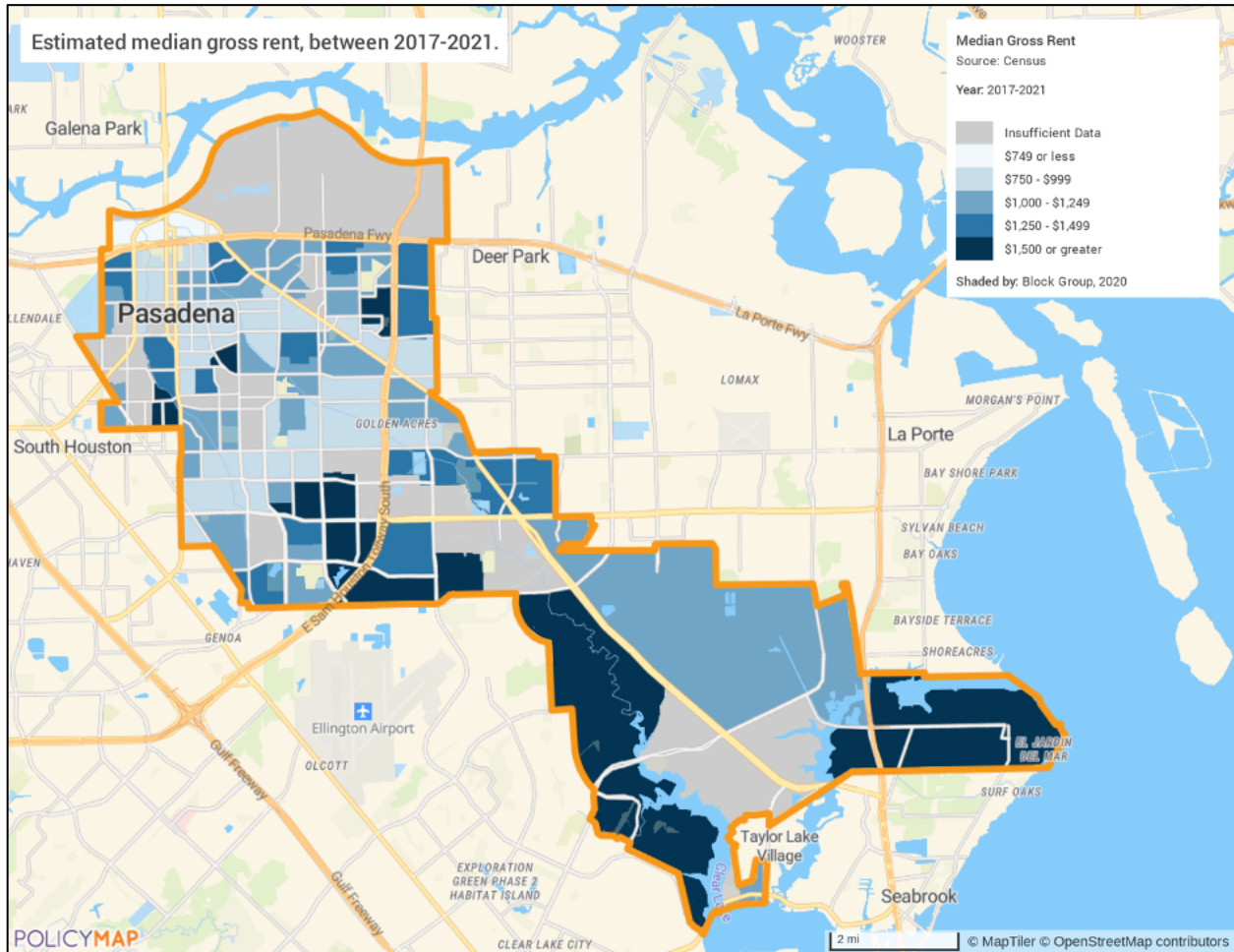


Source: United States Census Bureau ACS 2017-2021 via PolicyMap

## RENTER OCCUPIED UNITS

Unlike owner-occupied units, there is not a clear relationship between median rent and geography. There are relatively high and low median rent block groups found throughout the city.

### MAP: MEDIAN RENT

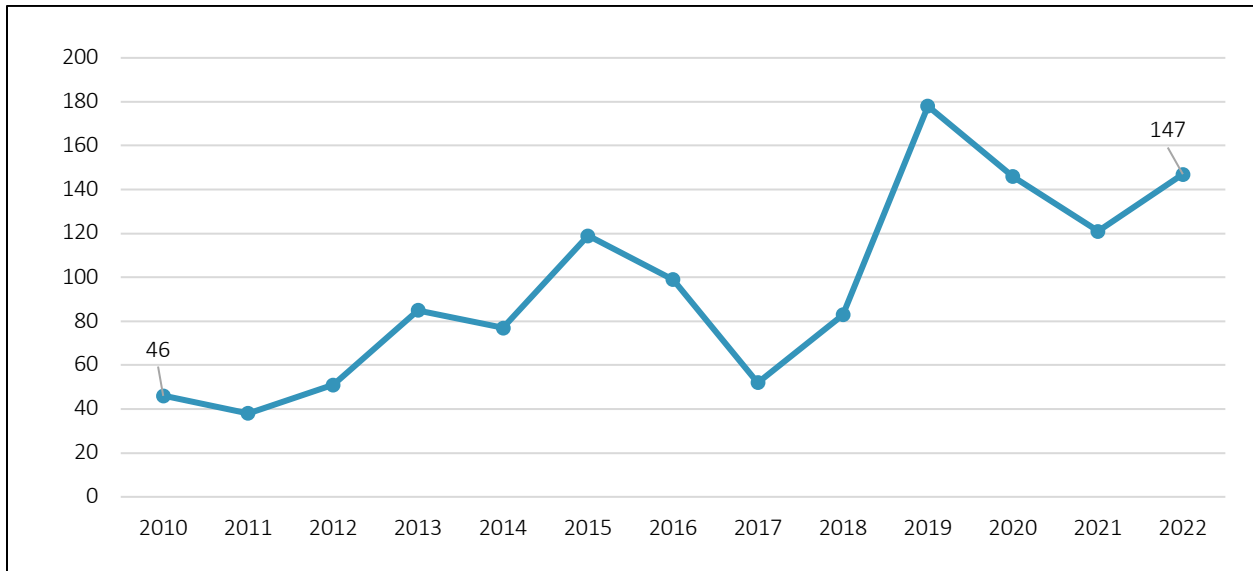


Source: United States Census Bureau ACS 2017-2021 via PolicyMap

## NEW CONSTRUCTION

In Pasadena, the total residential permits issued for new construction has been increasing since 2010. The year with the lowest number of permits issued was 2011, when only 38 permits were issued. The year with the highest number of permits issued was 2019, when 178 were issued. The production of new affordable units is an important component in providing housing choice for the community.

**CHART: TOTAL RESIDENTIAL CONSTRUCTION PERMITS ISSUED FROM 2010 TO 2022**

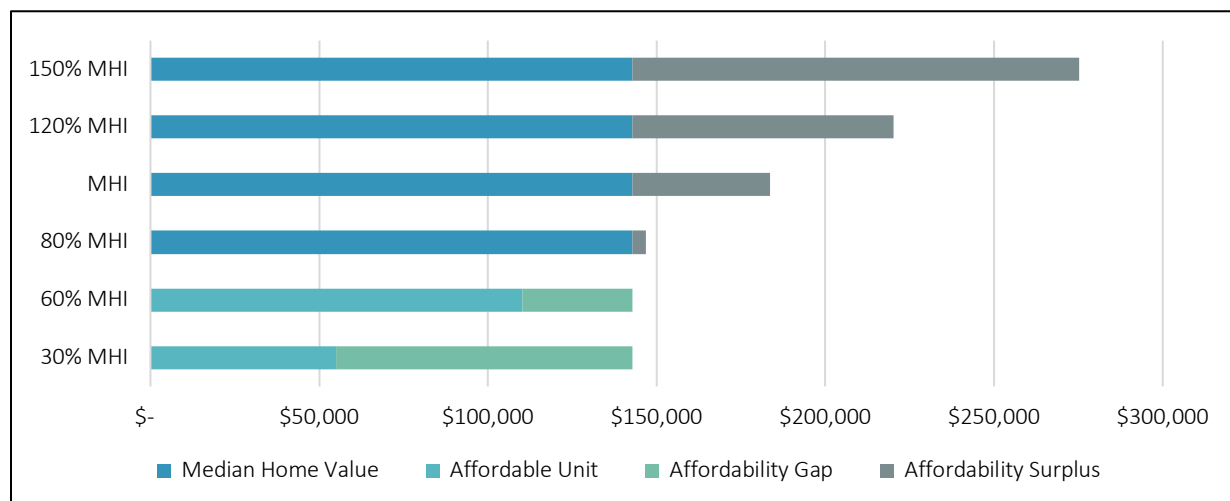


Source: City of Pasadena, Building Permits Survey

## HOMEOWNER AFFORDABILITY GAP

The homeowner affordability gap is the difference between the median home value and what is affordable for residents in different income groups. For most residents in Pasadena, home ownership is a financial possibility. Residents who earn over 80% of the median household income have an affordability surplus, which means they can afford a median priced home with income to spare. Considering the very low homeowner vacancy rate in the city, the primary barrier to home ownership appears to be a lack of supply.

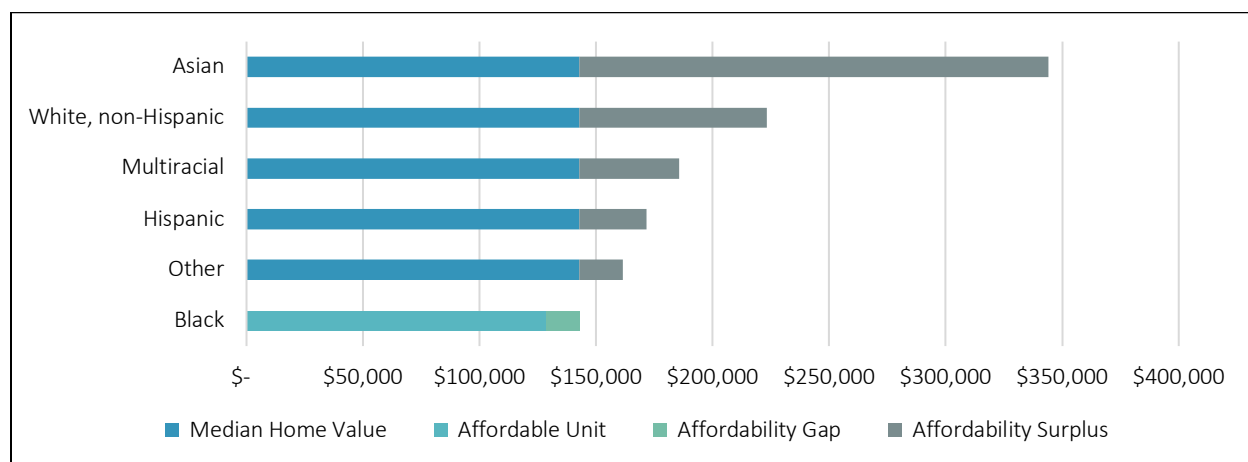
**CHART: AFFORDABILITY GAP BY INCOME**



Source: United States Census Bureau ACS 2017-2021

While the average household in the city can afford to own a home, that is not necessarily the case for all groups. As previously noted, income, race, and ethnicity are related. The only group with an affordability gap in Pasadena is Black or African American households. The reasons for this relationship are likely multifaceted and complicated but it is important to be aware of the fact that race and ethnicity are correlated with a family's ability to own a home.

**CHART: AFFORDABILITY GAP BY RACE AND ETHNICITY**



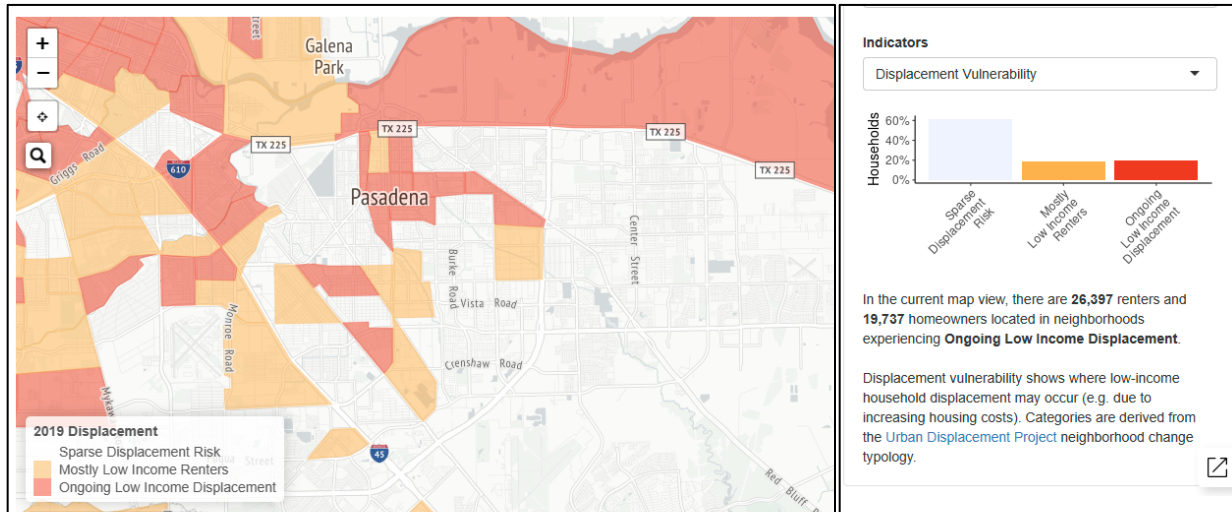
Source: United States Census Bureau ACS 2017-2021



## DISPLACEMENT

According to the Urban Displacement Project<sup>2</sup>—whose research aims to understand and describe the nature of gentrification, displacement, and exclusion, and promote more equitable development—there are several tracks in Pasadena with a displacement risk. The highest displacement risk is in the northern part of the city and in the downtown area. These tracts also coincide with older housing units and lower housing costs.

### MAP: DISPLACEMENT VULNERABILITY



Source: Urban Displacement Project

<sup>2</sup> Chapple, K., & Thomas, T., and Zuk, M. (2021). Urban Displacement Project website. Berkeley, CA: Urban Displacement Project; <https://www.urbandisplacement.org/about/what-we-do/>

## SECTION IV – PRIVATE LENDING ANALYSIS

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### LEGISLATION

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#### ***FAIR HOUSING ACT 1968***

“Discrimination in mortgage lending is prohibited by the federal Fair Housing Act and HUD's Office of Fair Housing and Equal Opportunity actively enforces those provisions of the law. The Fair Housing Act makes it unlawful to engage in the following practices based on race, color, national origin, religion, sex, familial status or handicap (disability):

- Refuse to make a mortgage loan or refinance a mortgage loan;
- Refuse to provide information regarding loans;
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees;
- Discriminate in appraising property;
- Refuse to purchase a loan or set different terms or conditions for purchasing a loan; and
- Discriminate in providing other financial assistance for purchasing, constructing, improving, repairing, or maintaining a dwelling or other financial assistance secured by residential real estate.”<sup>3</sup>

#### ***HOME MORTGAGE DISCLOSURE ACT***

The Home Mortgage Disclosure Act (HMDA), enacted by Congress in 1975, requires that mortgage lenders make loan data public. HMDA tracks information to ensure that fair and safe home financing is available in all geographic areas including urban neighborhoods. This information is made available to highlight whether or not lending institutions are servicing the neighborhoods and communities in which they are located. HMDA data is a useful tool in accessing lending practices and trends within a jurisdiction. The Consumer Financial Protection Bureau oversees HMDA compliance. Data collected and reported on includes applications, approvals and denials, loan amount, type of loan, applicant demographic information, property type, and census tract. This information is released annually each September. Since enactment of the HMDA in 1975, lending institutions have been required to collect and publicly disclose data regarding applicants including: location of the loan (by Census tract and MSA); income, race and gender of the borrower; the number and dollar amount of each loan; property type; loan type; loan purpose; whether the property is owner-occupied; action taken for each application; and, if the application was denied, the reason(s) for denial. Property types examined include one-to-four family units, manufactured housing and multi-family developments.

### ANALYSIS

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City-wide lending practices were analyzed using data gathered from lending institutions in compliance with the Home Mortgage Disclosure Act. It is recommended that the analysis of HMDA data be tempered by the knowledge that no one characteristic can be considered in isolation but must be considered in light of other factors. For instance, while it is possible to develop conclusions simply based on race data, it is more accurate when all possible factors are considered, particularly in relation to loan denials and loan pricing. According to the Federal Financial Institutions Examination Council (FFIEC), “with few exceptions,

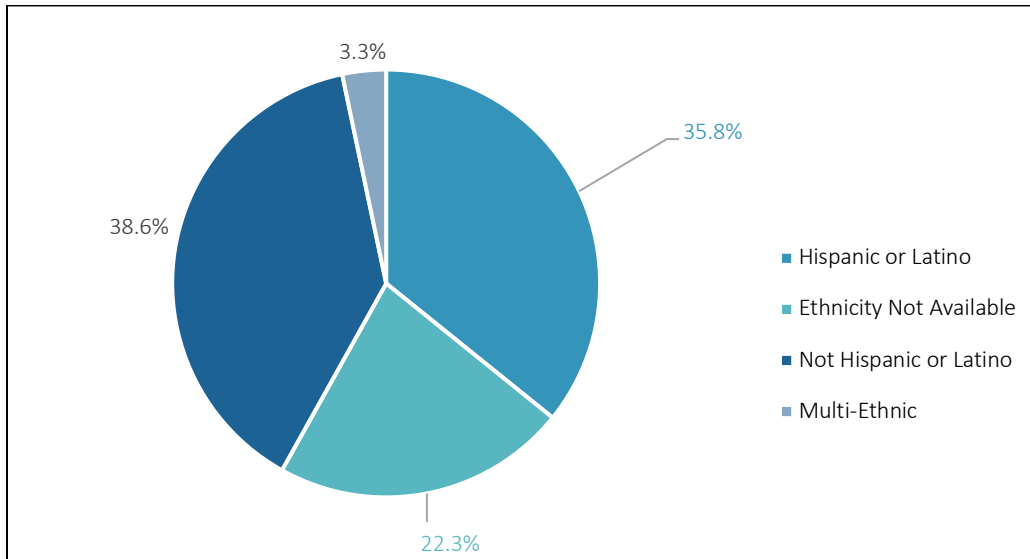
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<sup>3</sup> [https://www.hud.gov/topics/fair\\_lending](https://www.hud.gov/topics/fair_lending)

controlling for borrower-related factors reduces the differences among racial and ethnic groups.” Borrower-related factors include income, loan amount, lender, and other relevant information included in the HMDA data.

Given the demographics of Pasadena, an analysis of discrepancies in mortgage access by ethnicity is a key data point. According to the most recent citywide data, approximately 36% of applicants identified as Hispanic and 39% identified as not Hispanic or Latino. A very large group of applicants did not provide their ethnicity when filling out the loan application.

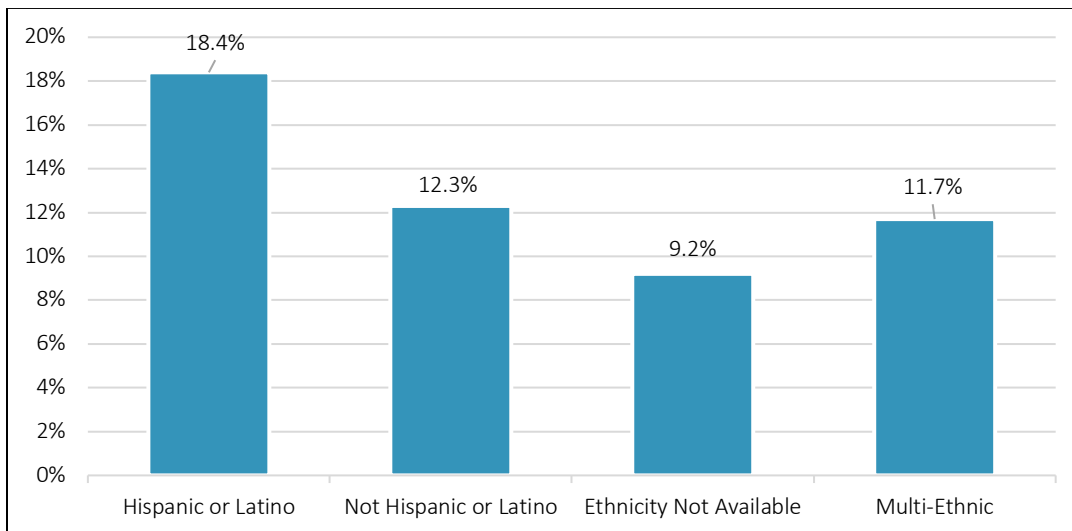
**CHART: APPLICANTS BY RACE/ETHNICITY**



Source: HMDA

In Pasadena there appears to be a relationship between denials and Ethnicity. Hispanic or Latino applicants had a denial rate approximately 50% greater than applicants who are not Hispanic or Latino. Interestingly, the lowest denial rate was applicants who did not report their ethnicity.

**CHART: DENIALS BY RACE/ETHNICITY**



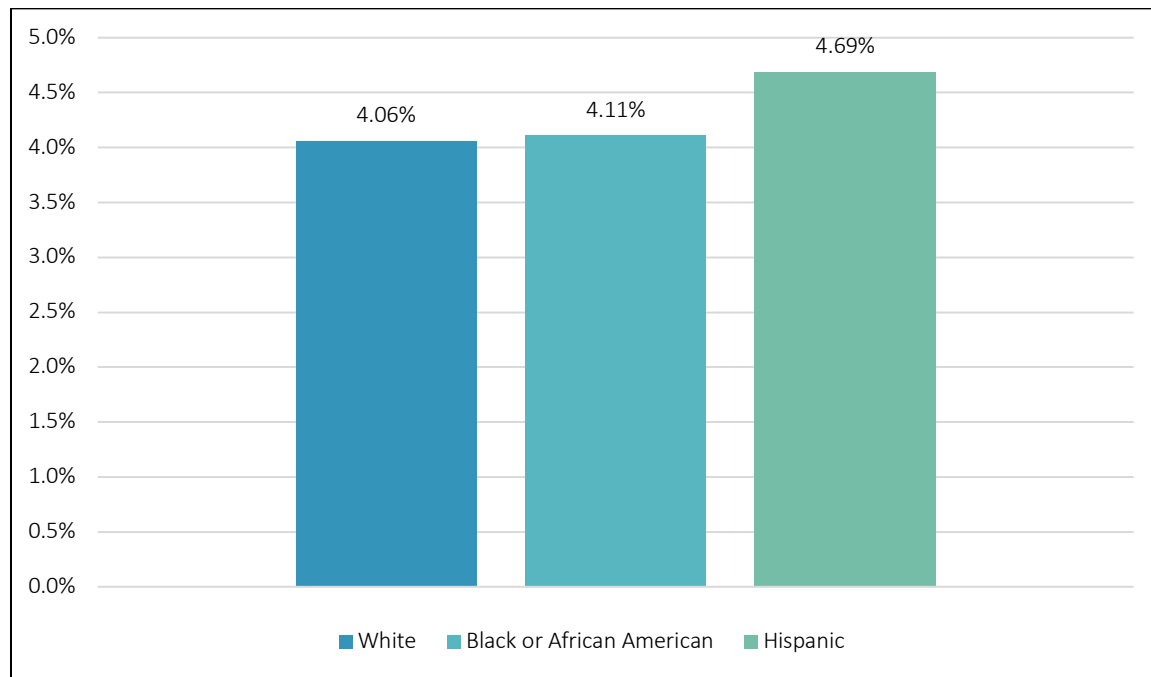
Source: HMDA

### HIGH-COST LENDING BY RACE OR ETHNICITY

In 2010, HMDA adjusted its calculations to identify high-cost lending more accurately. A loan is considered “high-cost” when the APR on the loan is 1.5% higher than the average prime offer rate for a first lien loan or more than 3.5% higher for a second lien loan. In Pasadena, approximately 10.4% of all loans were high-cost loans. This is approximately double the statewide rate of 5.7% and over triple the national rate of 3.3%.

The following chart compares the frequency of high-cost loans by race and ethnicity. In 2020, there were a total of 231 high-cost loans issued in Pasadena. High-cost loans were issued at a significantly higher rate to Hispanic households than non-Hispanic households.

CHART: PERCENT OF LOANS BY RACE OR ETHNICITY



Source: HMDA

## SECTION V – PUBLIC PROGRAMS AND POLICIES

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### CITY / COUNTY ASSISTANCE PROGRAMS

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Pasadena has implemented a range of public policies that encourage affordable housing opportunities through a variety of programs. Key policies and programs which are most relevant and beneficial to support the expansion of affordable and fair housing in Pasadena include:

#### **Policy 1. Coordinated Homeless Service Programming.**

The Coalition for the Homeless of Houston/Harris County Steering Committee uses recommendations from network and task groups to guide policy development for the Continuum of Care (CoC), including funding and project prioritization. This structure provides a coordinated response to homelessness, where all funding in the region is targeted toward strategic solutions working to end homelessness.

The CoC Steering Committee goals align with the goals designated in the federal strategic plan which includes a goal to end family homelessness.

#### **Policy 2. Active Regional Housing Planning Coordination.**

The Pasadena Economic Development Corporation (PEDC) has partnered with the Houston-Galveston Area Council (H-GAC) to embark on a program called Livable Centers with a goal of designing a vibrant urban center for all ages that connects diverse housing and thriving parks with employment opportunities to support healthy lifestyles. The study was launched in September 2022 and is due to be completed by June 2023. The City will strive to apply the concepts from the HGAC Livable Centers Study during the strategic period. Previously, the Cities of Galveston, Missouri City, Pasadena, Harris County and the Galveston and Harris County Housing Authorities collaborated to develop a Regional Assessment of Fair Housing under HUD's Affirmatively Furthering Fair Housing rule.

#### **Policy 3. Adopted an Anti-NIMBYism Plan.**

It is the adopted policy of the City of Pasadena to combat 'NIMBYism.' The U.S. Department of Housing and Urban Development defines NIMBYism (Not In My Back Yard) as "a mentality adopted by those who reject certain changes to their communities." HUD further states that NIMBY mentality is counterproductive to cities, as it represents a refusal to compromise; a refusal to recognize personal property rights; and a refusal of consideration of practical alternatives which can stifle community growth and development.

The City of Pasadena's adopted policy reflects the city's understanding of the importance of fair housing and informing the residents of new developments in their neighborhood. The city's anti-NIMBY policy seeks to ensure that fair housing opportunities and new developments are met with cooperation and understanding by stakeholders rather than opposition and misinformation. The effort to combat NIMBYism provides residents with information and public forums to discuss changes in the city. The goal is to provide new development with support and understanding rather than obstruction and fabrication.

To combat NIMBYism, the city has committed to the following steps:

1. Develop and distribute clear and accurate information on the development through the press and social networking sites and responding to community concerns at public forums, if necessary.
2. When appropriate, host public hearings and town hall-type meetings on any proposed developments that the city feels will harbor any NIMBY-type sentiments.
3. Inform developers of potential NIMBY attitudes during pre-development meetings. In addition, the City staff also share previous experiences with issues which provoked NIMBYism in the community.
4. Encourage developers to construct well-designed buildings that complement the surrounding neighborhoods to ensure it is an asset to the city.
5. Coordinate education activities about the community-wide benefits of fair housing with community, civic, and religious organizations.

**Policy 4. Availability of Bilingual Housing Brochures.**

Spanish is by far the most commonly spoken language in the city other than English. The city offers several Spanish language brochures on the Local Complaint Monitoring Process and the Local Complaint Process Form. Other outreach to Spanish speaking residents were incorporated in the recent Livable Cities survey that sought community wide input on municipal needs. The city also is continuously advertising services to the underserved population within the community. It is critical that a majority, if not all, of the city's programs and announcements be available in both English and Spanish.

**Policy 5. Offer Neighborhood Assistance Grants.**

The city has a Neighborhood Matching Grant Program that assists neighborhood and homeowner associations with projects that improve the quality of life, public health, safety, and welfare in neighborhoods. This matching grant program creates a mutually beneficial partnership between the neighborhoods and the city.

**Policy 6. Promote Fair Housing.**

The zoning, building and subdivision codes and regulations of the city were reviewed to identify and address impediments and related barriers to fair housing choice. The city also holds community events to promote Fair Housing Awareness.

**Policy 7. Enacted Flood Plain Management Plan.**

The city adopted and developed a Floodplain Management Plan in 2020 to reduce the potential loss in flood prone areas and ensure the lowest possible flood insurance premiums for residents. The city's web site offers resources and simple steps to take that will help residents cope with any flooding in their neighborhood.

## HUD PROGRAMS

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The City of Pasadena receives multiple grants from the United States Department of Housing and Urban Development (HUD). These entitlement grants are awarded to urban communities on a formula basis to support affordable housing and community development activities.

### *COMMUNITY DEVELOPMENT BLOCK GRANT*

The Community Development Block Grant (CDBG) program is used to plan and implement projects that foster revitalization of eligible communities. The primary goal of the program is the development of viable urban communities. Program objectives include the provision of decent housing, a suitable living environment, and expanded opportunities principally for low- to moderate-income individuals and families. The City of Pasadena receives an annual allocation of CDBG funds from HUD, which are used to fund eligible housing, public improvements, and public service programs meeting the needs of low-to-moderate income individuals and families. Activities can include:

- Acquisition/Rehabilitation
- Homebuyer Assistance
- Homeless Assistance
- Economic Development
- Public Infrastructure & Facility Improvements
- Public Services

CDBG funds all work to address local housing needs. In order to achieve the program objectives, each qualifying activity must meet one of the three broad National Objectives:

- a. Primarily benefit low- and moderate-income families. More specifically, 51% of the project must benefit families with incomes at or below 80% of the median income.
- b. Aid in the prevention or elimination of slum or blight. Activities considered to aid in the prevention or elimination of slum or blight are activities located within a designated area which: 1) meets a definition of a slum, blighted, deteriorated, or deteriorating area under state or local law; and 2) where there is a substantial number of deteriorating or dilapidated buildings or needed improvements throughout the area.
- c. Meet urgent community development needs. Proposed project must meet needs that have a particular urgency where existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet the needs.

### *HOME INVESTMENTS PARTNERSHIPS*

The City also receives HOME Investments Partnerships (HOME) Program funding. HOME funds are intended to create affordable housing for low-income households. The City uses HOME to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. Despite these important resources, funding levels fall short of addressing the range of housing needs in the city.

### *GRANT ALLOCATION PLANNING*

The City outlines its plans for how CDBG and HOME funding is used in its five-year Consolidated Plan and subsequent Annual Action Plans. In the 2023 – 2027 ConPlan, the City plans to use these funds to meet multiple housing related goals, including the following:

- Housing rehabilitation for LMI homeowners
- Homelessness reduction through continued partnership with the Coalition for the Homeless
- Tenant-Based Rental Assistance
- Homeownership assistance to increase homeownership rates for LMI households

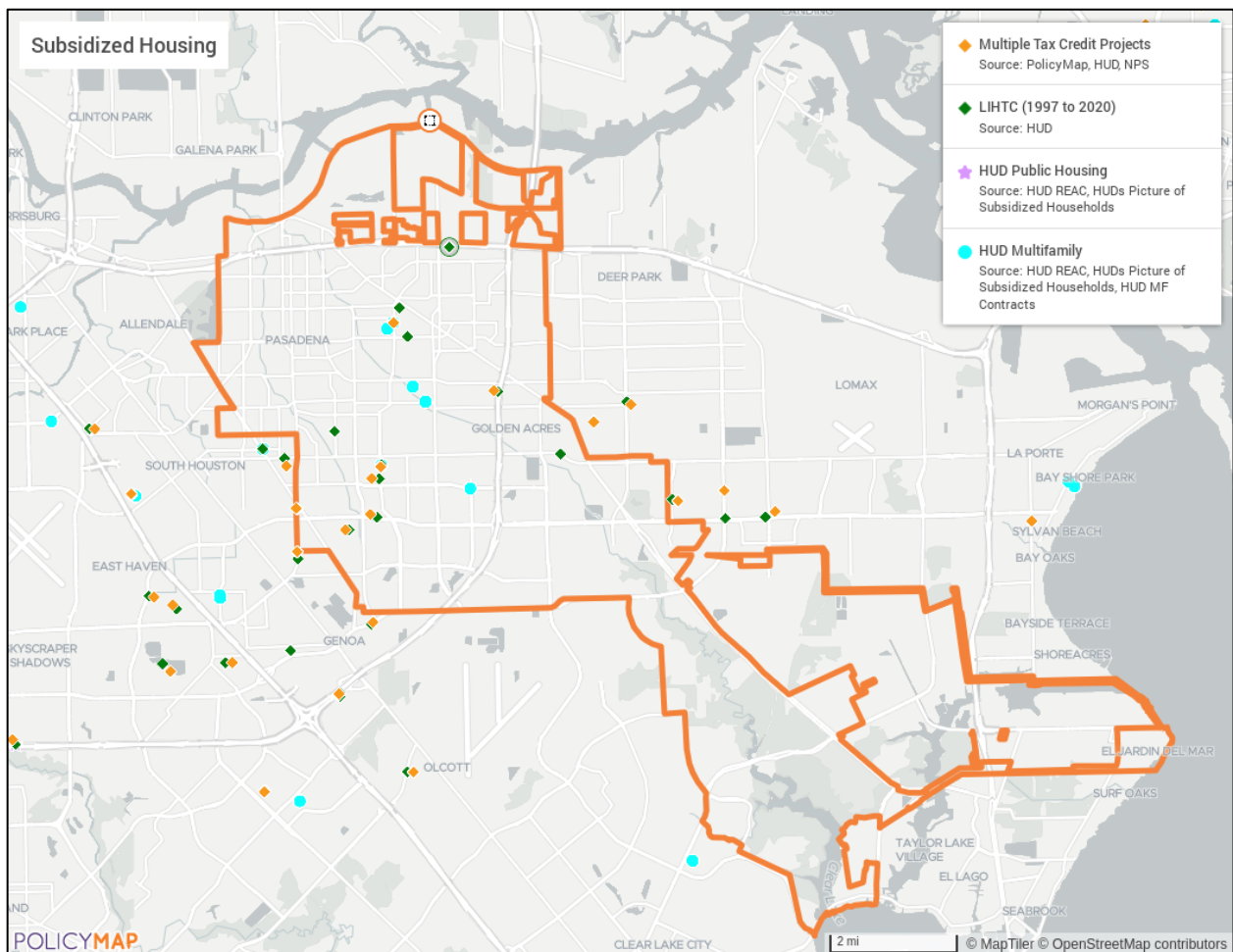


## PUBLICLY SUPPORTED HOUSING

In 2021, there were 3,276 units of federally subsidized rental housing in Pasadena, which comprised 14.5% of the city's total rental stock. None of these units are HUD public housing units. All of the units are privately owned and receive federal subsidies. There are approximately 5,672 individuals on the waiting list for housing vouchers as of 2022.

In addition to the federally subsidized rental programs tracked here, some jurisdictions also have rental units that are subsidized by state or local sources. This inventory does not include approximately 1,094 Housing Choice Vouchers (HCV). The Section 8 HCV Program provides rent subsidies for more than 1,000 low-income households. About 58% of the voucher recipients are seniors or persons with disabilities. The majority of these vouchers are tenant-based, meaning that they can be used in rental housing of the voucher holder's choosing. A portion of the vouchers may be project-based, meaning that they are tied to specific units. Tenant-based vouchers can be used in Low Income Housing Tax Credit properties or in other privately-owned units that meet voucher program criteria.

**MAP: FEDERALLY SUBSIDIZED PROPERTIES 2021**



Source: HUD Multifamily DB, HUD's Picture of Subsidized Households, LIHTC

## SECTION VI – FAIR HOUSING PROFILE

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### FAIR HOUSING PROGRAMS

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The City of Pasadena Community Development Department continuously promotes fair housing choice through the participation in trainings, seminars, community events and workshops. Information materials are available to all residents and provided to all program participants.

Additional fair housing programming is carried out by the Texas Department of Housing and Community Affairs (TDHCA). TDHCA's fair housing staff also work with The Texas Workforce Commission's (TWC) Civil Rights Division (CRD). TWC-CRD is tasked with enforcing the State of Texas's Fair Housing Act, which was passed in 1989 and prohibits discrimination based on race, color, national origin, sex, religion, familial status, and disabilities in homeownership or rental housing opportunities. TDHCA works with TWC to ensure that prospective applicants and residents are aware of TWC's complaint process and that owners and management agents operating TDHCA properties and programs are aware of their responsibilities under the Federal and State Fair Housing Act.

The Texas REALTORS Housing Initiatives Committee in partnership with the Texas Workforce Commission developed a fair housing course that is part of the Texas Affordable Housing Specialist (TAHS) certification.

HUD's office of Fair Housing and Equal Opportunity (FHEO) enforces federal Fair Housing Act and other civil rights laws that prohibit discrimination in the sale, rental, or financing of dwellings because of race, color, national origin, religion, sex, familial status, or handicap. HUD's Region VI office handles the investigation and processing of housing discrimination complaints for the region.

#### ***FAIR HOUSING COMPLAINTS***

Housing discrimination complaints can be filed with the Texas Workforce Commission (TWC) Civil Right Division (CRD) or directly with HUD. In Texas, housing discrimination complaints are processed by TWC-CRD in Austin. A complaint can also be filed with HUD's Fort Worth Regional Office of Fair Housing and Equal Opportunity (FHEO) or the local Houston Field Office. Fair housing complaints can be used as an indicator to identify heavily impacted areas and characteristics of households experiencing discrimination in housing. The Fair Housing Act lists seven prohibited bases for discrimination: race, color, national origin, religion, sex, disability, and familial status. The Fair Housing Act makes it unlawful to coerce, threaten, intimidate or interfere with anyone exercising or aiding others in enjoying their fair housing rights.

The following analysis considers fair housing complaint data filed against respondents in Pasadena with the U.S. Department of Housing and Urban Development (HUD) and the Texas Workforce Commission between 2018 and 2022. Using this data, the report identifies and analyzes the following:

- Absolute number of complaints filed with HUD in the city
- Basis of complaints filed
- Issues of complaints filed

While conducting the analysis, several data limitations were identified. Though not exhaustive, the list below summarizes the most important limitations of the datasets. The complaint process relies on people self-reporting, and the data represents only those complaints that were filed. Due to lack of knowledge of

resources, instances of discrimination are often under-reported. Though five years of data provide a basis for simple analysis, a longitudinal approach of complaint outcomes is not possible in this analysis. HUD’s dataset only includes closed cases that were filed during this time period.

A total of eight fair housing complaints were filed with HUD between 2018-2022. Six of the complaints included disability as the sole factor or in combination with other reported issues (75%). National origin, race, or sex made up the other bases of complaints according to HUD data.

**TABLE: FAIR HOUSING COMPLAINTS IN PASADENA FROM 2018 TO 2022**

<b>Violation City</b>	<b>Filing Date</b>	<b>Bases</b>
Pasadena	10/22/18	National Origin
Pasadena	06/12/19	Race, Sex, Disability
Pasadena	02/26/20	Sex, Disability
Pasadena	02/19/21	Race
Pasadena	03/29/21	Disability
Pasadena	06/22/21	Disability
Pasadena	08/25/21	Race, Disability
Pasadena	06/13/22	Disability

Source: HUD

## FAIR HOUSING ENFORCEMENT, OUTREACH, AND CAPACITY

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HUD's office of Fair Housing and Equal Opportunity (FHEO) is responsible for enforcing the federal Fair Housing Act and other civil rights laws that prohibit discrimination in the sale, rental, or financing of dwellings because of race, color, national origin, religion, sex, familial status, or handicap. HUD's Region VI office handles the investigation and processing of housing discrimination complaints for the region.

The City works in partnership with the Harris County Housing and Community Resource Center to provide services related to fair housing, including first time homebuyer counseling, down payment assistance, rental property search, and fair housing training. The Harris County Housing and Community Resource Center is the primary agency that engages in Fair Housing work within the city of Pasadena and the greater Harris County area.

Additionally, the Greater Houston Fair Housing Center provides housing discrimination services to the greater Houston area, including fair housing information and complaint investigations.

## CITIZEN PARTICIPATION

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In outlining their vision for the development of this document, the City of Pasadena staff sought input from residents, stakeholders, not-for-profit organizations, city staff, and community and government leaders. To this end, the city contacted representatives of various housing organizations, social service agencies, faith-based organizations, and governmental institutions to participate in public meetings and a community survey. The survey contained a range of questions about possible impediments relating to fair housing discrimination, education, and causes.

### ***FAIR HOUSING COMMUNITY SURVEY***

The City of Pasadena administered a citywide survey on residents' experiences with the local housing market from January 15, 2023 through March 31, 2023. It was available online and circulated on the city website, social media, through neighborhood groups, and at public meetings. The community survey received 83 total responses. There were several questions in the survey related to housing discrimination perceptions, experiences of discrimination, and reporting of incidents of discrimination. Due to the limited sample size, the key takeaways should be considered, but not necessarily extrapolated across the citywide population.

### ***FAIR HOUSING STAKEHOLDER SURVEY***

The City also administered a survey aimed at gathering feedback from local stakeholders. The stakeholder survey received six responses and asked similar questions to the community survey. Responders included local affordable housing and homeless service nonprofit organizations.

### ***SURVEY TAKEAWAYS***

Eighteen percent of responders to the community survey believe housing discrimination is a fairly common issue in their community and seventeen percent believe it is very common. Race, color, and national origin are the leading types of discrimination based on how common they are believed to occur in the community. Eleven percent of responders have experienced discrimination in housing. Race, color, national origin, sex, and familial status were the leading categories of real or perceived discrimination. Sixty three percent of responders who have experienced discrimination believe that landlords discriminated against them and 38% believe that mortgage lenders discriminated against them.

A majority of responders to the stakeholder survey believe that housing discrimination in the local rental market is fairly common. Discrimination on the basis of race, color, national origin, and disability were listed as fairly common.

With this small of a sample size, it's difficult to make any absolute conclusions about how widespread unlawful housing discrimination is compared to perceptions. The community feels that fair housing education is very important, and the community survey responses indicate that 81% feel they have at least an average understanding of fair housing laws and the issue of housing discrimination. It is crucial that the City continues its fair housing education efforts to ensure households, landlords, and real estate professional understand fair housing rights and the ramifications of unlawful discrimination.

## FOUR-FACTOR ANALYSIS AND LANGUAGE ACCESS PLAN (LAP) FOR LIMITED ENGLISH PROFICIENCY PERSONS

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**Purpose:** In compliance with Executive Order 13166, the City of Pasadena, TX, has developed the following Four-Factor Analysis and Language Action Plan (LAP) for Limited English Proficiency (LEP) persons living in the City.

**History:** Under Federal law Title VI of the Civil Rights Act of 1964, discrimination was made illegal in programs that received federal financial assistance. For LEP persons, it protects individuals based on their race, color, or national origin. In certain situations, failure to ensure that persons who have LEP can effectively participate in, or benefit from, federally assisted programs may violate Title VI’s prohibition against race/ethnicity and national origin discrimination.

Persons who, because of their race/ethnicity and national origin, do not speak English as their primary language and have limited ability to speak/read/write, or understand English may be entitled to language assistance under Title VI to receive City services, benefits, and/or participate in sponsored programs.

**Four-Factor Analysis:** There is no specific method for ensuring compliance but undertaking a four-factor analysis, adoption of a Language Access Plan (LAP) for vital materials, and making necessary translation will be considered “strong evidence” of compliance.

**Factor 1:** Determine the number or proportion of LEP persons in the eligible service population. HUD provides the following guidance for what documents should be provided and when:

Size of Language Group	Recommended Provision of Written Language Assistance
1,000 or more LEP persons in eligible population	Translate vital documents
>5% of eligible population and more than 50 are LEP persons	Translate vital documents
>5% of eligible population and 50 or less are LEP persons	Translated written notice of right to receive free oral interpretation of documents
5% or less of eligible population and less than 1,000 are LEP persons	No written translation required

**Factor 2:** The frequency with which LEP persons come in contact with the program

**Factor 3:** The nature and importance of the program, activity, or service

**Factor 4:** The resources available and costs to the recipient

Examples of language assistance includes but is not limited to oral interpretation, bilingual staff, telephone service lines interpreter, written translation services, notices to staff and recipients about the availability

of LEP services, or referrals to community liaisons. When the four-factor analysis is complete the jurisdiction should produce a Language Access Plan (LAP) and follow thru with the plan.

Due to the importance of HUD programs and the universal availability of some programs the entire jurisdiction was analyzed. Additional four-factor analyses can be conducted on a program basis with a more limited geographic range.

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### FACTOR 1: SIZE OF LEP POPULATION

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Overall, Pasadena has a significant limited English proficiency population, with Spanish LEP speakers that may require translation services. In 2021, an estimated 32,881 individuals spoke English less than “very well,” with Spanish speaking individuals having by far the largest part of this group with 31,817 persons – or 97 percent (2017-2021 ACS 5-Yr Estimates, S1601).

The table below displays the number of households with the primary language spoken at home and how many households are limited English-Speaking Households (LEP). Spanish speaking households are the largest group with a primary language spoken at home other than English with 62,084 persons, or 44.5%. An estimated 31,817 are LEP, or 22.8% of the percent of total population in Pasadena. This meets the minimum threshold for assistance for LEP: 1,000 or more LEP persons in eligible population. No other minority groups met the minimum threshold.

Primary Language Spoken at Home	Limited English Proficiency (Individuals)		
	Total	Speaks English “Less than very well”	% of Total Population that Speaks English “Less than very well”
Population 5 years and over	139,651	32,881	23.5%
Spanish	62,084	31,817	22.8%
Other Indo-European	691	271	Less than 1%
Asian and Pac Island languages	1,648	747	Less than 1%
Other languages	225	46	Less than 1%
Source: 2017-2021 ACS 5-Yr Estimates (S1601)			

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### FACTOR 2: FREQUENCY OF CONTACT

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Housing services require ongoing communication and needs to be available throughout the year. Depending on the program specifics, procedures will vary as detailed in the LAP. Race and Ethnicity beneficiaries are reported in the City’s most recent annual Consolidated Annual Performance and Evaluation Report (CAPER) to HUD. In the following table, it shows the race/ethnic composition of individuals assisted in the City’s entitlement program. Almost half (49.7%) of persons assisted were Hispanic.

**TABLE: RACIAL AND ETHNIC COMPOSITION OF HOUSEHOLDS/INDIVIDUALS ASSISTED**

CDBG	CDBG	HOME	ESG	Total	Percent
White	232	0	240	472	72.6%
Black or African American	17	0	135	152	23.4%
Asian	5	0	6	11	1.7%
American Indian or American Native	0	0	1	1	0.2%
Native Hawaiian or Other Pacific Islander	0	0	0	0	0.0%
Other Multiracial	0	0	14	14	2.1%
<b>Total</b>	<b>254</b>	<b>0</b>	<b>396</b>	<b>650</b>	<b>100.0%</b>
Hispanic	124	0	199	323	49.7%
Not Hispanic	130	0	197	327	50.3%
Source: City of Pasadena, TX 2021 CAPER					

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**FACTOR 3: NATURE AND IMPORTANCE OF THE PROGRAM**

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Per the “Department of Housing and Urban Development Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons”, HUD programs play a critical role in the community and should rank high on the critical/non-critical continuum. The importance will vary depending on each program, but the housing department as a whole is critical.

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**FACTOR 4: AVAILABLE RESOURCES**

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Given the limited resources available, it is imperative that a cost/benefit analysis is done when considering translation efforts for each program. It is difficult to gauge whether a community’s participation (or lack thereof) is due to failed outreach efforts or if they generally do not have a need. With less than 5% of Spanish LEP speakers it may not be possible to have translation services available at all times. However, efforts can be made to show compliance with Title VI.

In general, all documents should be available in Spanish, and it would be incredibly beneficial if a staff member could also serve as a point of contact for the Spanish LEP community. The jurisdiction should also reach out to community leaders who may be able to provide translation services. Regardless, Spanish LEP persons should be made aware of their right to a free oral translation of documents upon request.

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**CONCLUSION**

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To assist in showing strong evidence for compliance with Title VI’s prohibition against discrimination, the City of Pasadena should continue to review and maintain its Language Access Plan. This plan should provide guidance for the creation of translated documents on a program-by-program basis and for the division as



a whole. Particular care should be taken to ensure documents are prepared ahead of time for any disaster relief to minimize delays in service for households harmed by hurricanes or similar natural disasters.

## LANGUAGE ACCESS PLAN

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As a result of the Four-Factor Analysis, the City of Pasadena has determined persons with limited English proficiency who primarily speak Spanish are in-need of language assistance. For this purpose, the City has identified the following types of language assistance to be provided as needed throughout the HUD entitlement programs:

- All public notices and published citizen participation advertisements will include a statement that services and program materials are available in Spanish upon request.
- All citizen participation notices will include a statement that translators will be available at public meetings upon prior request.
- If needed, a translator may be retained to provide oral translation at public meetings and hearings, and also during the implementation of the project activities (as needed for housing and public services).

## SECTION VII – PROGRESS OF PAST GOALS

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In 2017, Harris County, Pasadena, Missouri City, and Galveston, along with the Harris County Housing Authority and the Galveston Housing Authority collaborated to complete a regional Analysis of Impediments to Fair Housing Choice. This section describes the progress made on implementing the actions recommended by the 2017 AI.

The primary fair housing issues identified in the region included:

- Segregation Persists
- Disparities in Housing Needs
- Disparities in Access to Opportunity
- Barriers to Housing Choice for People with Disabilities
- Location and Utilization of Publicly Assisted Housing
- Lack of Fair Housing Capacity

Throughout the 2018 – 2022 ConPlan period, the City’s Annual Action Plans’ outlined goals and priorities worked to address these fair housing issues. The City reported on actions carried out during the 2021 and 2022 program years to address the impediments identified in the AI. Many of these fair housing activities are directly related to the projects listed in the 2021 and 2022 Annual Action Plan, while other fair housing actions are not related to individual projects but instead, are general fair housing education and outreach activities.

### ***IMPROVING REGIONAL COLLABORATION***

The City partnered with Harris County, Missouri City, and Galveston, along with the Harris County Housing Authority and the Galveston Housing Authority to collaborate and analyze barriers to housing choice within the region.

### ***BOOSTING RESIDENTS’ ACCESS TO CAPITAL***

To address disparities in housing needs and in access to opportunities, the City partnered with Habitat for Humanity to construct and sell affordable housing units to low-income families. All potential homebuyers had to complete Homebuyer Education Course prior to obtaining ownership of the home. The project with Habitat consists of the construction and sale of 19 affordable housing units, with the final home to be completed by November 2028. To date, 16 homes have been completed and there are three lots remaining.

### ***FAIR HOUSING OUTREACH & EDUCATION***

The City continuously promotes Fair Housing through the participation in training, seminars, community events and workshops. Informational materials are available to all residents and provided to all program participants. Staff consults with local Housing providers and agencies to discuss challenges for protected classes and strengthen private-public partnerships. The City anticipates completing Fair Housing Outreach in the community in collaboration with other City departments, and/or community organizations. Results of these efforts will be reported within the 2022 CAPER.

### ***FAIR HOUSING TESTING***

The City has partnered with Harris County, Missouri City, and Galveston, along with the Harris County Housing Authority and the Galveston Housing Authority to collaborate and analyze barriers to housing choice within the region. The City also consults with Greater Houston Fair Housing Center (GHFHC) to provide information on addressing affordable housing concerns and fair housing issues in today's housing market. While the City does not directly fund this activity, it has been successful in its collaboration with the GHFHC.

### ***REGIONAL TRANSPORTATION PLANNING***

The city is committed to continuing to strengthen regional transportation planning. The Pasadena Parks and Recreation Department, specifically Madison Jobe Senior Center, works in conjunction with RIDES (specialized transportation for Harris County) to provide free FARE card loads to eligible elderly and/or disabled residents of Pasadena. In program year 2021, an estimated 259 unduplicated clients benefitted from transportation services. An additional 240 estimated clients will benefit in the 2022 program year. The City has successfully implemented improvements to access to essential transportation services through this program.

### ***JOB TRAINING RESOURCES***

The City plans to increase access to job training resources for residents with disabilities. Although the City of Pasadena does not currently fund this type of activities, it has successfully consulted with Texas Workforce Solutions and San Jacinto College Career Services to provide information on employment services and training opportunities available to the public and job marketing improvements.

### ***EXPANDING THE SUPPLY OF AFFORDABLE HOUSING OPTIONS***

One of the city's primary goals was to expand the supply of affordable housing options, with a focus on extremely low-income households and on larger affordable housing units. Rapid re-housing and stabilization services were provided through financial assistance in the form of deposits, rent and utility payments. The city assisted approximately 12 homeless households with permanent housing and stabilization services in the 2021 program year.

The City of Pasadena also partners with Habitat for Humanity to construct and sale affordable housing units to low-income families. It anticipates that two first time homebuyers will be assisted within the 2022 program year.

### ***ASSISTANCE FOR LOW-INCOME HOMEOWNERS***

The City of Pasadena continues to assist low-income homeowners to improve housing quality and increase housing accessibility. The city continues to administer the Housing Rehabilitation Services Program under the HOME Program and continues to anticipate assisting two income eligible households during each program year. While the City did not meet this goal for the 2021 program year, it anticipates that it will do so in the 2022 program year.

### ***BALANCED HOUSING POLICIES & PROCEDURES***

The City of Pasadena recently updated its Affirmative Marketing Plan for the City's HOME Program. The plan serves as a guide to ensure that all eligible persons in the housing market area are given the

opportunity to apply and reside in available housing units. Each program administered through the City's Community Development Department has policies in place that cover fair housing and equal opportunity. Additionally, the City has created an Anti-Nimbyism Plan and Planning and Development for Undesirable Infrastructure Improvements Policy to address fair housing.

### ***ECONOMIC INVESTMENT IN DISTRESSED AREAS***

The city continues to work to provide economic investment (both public and private) in distressed areas that have high minority concentrations. In program year 2021, the Llano Street Paving and Drainage Improvements Phase II Project, funded under CDBG, assisted 2,230 Pasadena residents by improving mobility, drainage conditions and reduce overall hazardous conditions. In program year 2022, the Thomas Street Paving and Drainage Improvements Phase II Project, funded under CDBG, will assist 1,485 Pasadena residents by improving mobility, drainage conditions and reduce overall hazardous conditions.

### ***HOUSING CHOICE VOUCHERS***

The city continues to encourage housing choice voucher participants to use vouchers in high opportunity areas. The City of Pasadena plans to continue to assist and administer the allocated 1,094 voucher participants with their rental assistance. Through the Family Self Sufficiency Program, available to current Housing Choice Voucher Program participants, the City encourages families to achieve self-sufficiency and homeownership.

### ***SUPPORT FOR RESIDENTS WITH DISABILITIES***

The City of Pasadena has reviewed city and county policies for requesting a reasonable accommodation for fair housing compliance to determine their impact on affordable housing. The City found that there are no policies that contribute to the concentration of racial/ethnic minorities, and no city building codes or ordinances that limit the development or improvement of affordable housing in Pasadena.

### ***REVIEW OF ZONING, LAND USE, DEVELOPMENT REGULATIONS & PROMOTIO OF ACCESSIBILITY***

The zoning, building and subdivision codes and regulations of Pasadena were reviewed to identify potential barriers to fair housing choice and reasonable accommodation under the federal Fair Housing Amendments Act (FHAA) and the Americans with Disabilities Act (ADA) during the development of the AI. The City of Pasadena Community Development Department continues to work in conjunction with other City departments, including the Planning Department and Permit Department, to continue to expand opportunity and enhance services provided throughout the community.

## SECTION VIII – SUMMARY OF IDENTIFIED IMPEDIMENTS

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This section outlines fair housing issues, barriers to fair housing choice, and actions to address these barriers. The impediments to fair housing choice are presented in two categories:

- Fair Housing Related Impediments
- Affordable Housing Impediments

The conclusion of this analysis has identified several current impediments to fair housing choice, some of which are related to those identified in the previous Analysis of Impediments.

Recommendations have been identified that can help to alleviate these impediments by moving the City of Pasadena forward. Key findings identified in this analysis to fair housing choice are:

- 1) Limited Incentives for Lower Cost Housing.
- 2) Barriers For People with Disabilities.
- 3) No Land Use Zoning.
- 4) High Number of Households with Severe Housing Problems.
- 5) Large Number of Housing Cost Burdened Households.
- 6) Above Average Amount of Crowding.
- 7) Reductions in Federal Financial Assistance.
- 8) Shortage of Housing Vouchers.
- 9) Inadequate Staffing for Housing Rehabilitation Program.
- 10) Large Homeless Population.
- 11) Declining Housing Affordability

## FAIR HOUSING-RELATED IMPEDIMENTS

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### **Impediment 1. Limited Incentives for Lower Cost Housing.**

Texas Local Government Code Section 214.905 authorizes municipalities to “create incentives, contract commitments, density bonuses, or other voluntary programs designed to increase the supply of moderate or lower-cost housing units.” However, Pasadena does not address inclusionary zoning practices that are utilized in nearby Galveston.

### **Impediment 2. Barriers For People with Disabilities.**

There is a shortage of affordable accessible housing for those with mobility and sensory disabilities. Difficulty finding landlords who accept vouchers or disability benefits as income amplifies the difficulty residents with disabilities face in finding suitable affordable housing. In addition, renters with disabilities face landlords who refuse to accommodate requests. Owners with disabilities need repairs they cannot afford to make.

### **Impediment 3. No Land Use Zoning.**

The City of Pasadena does not have zoning. Therefore, the city does not have a zoning map. Land use development in Pasadena is governed by local codes, ordinances, and deed restrictions where applicable. Although the city has reviewed subdivision regulations to identify barriers to affordable housing, without zoning, the city’s mixed land uses create unique challenges and reduce affordable housing opportunities. A review of the city’s codes has found several inconsistencies within each other and with state statutes making it more difficult to address affordable housing challenges.

## AFFORDABLE HOUSING-RELATED IMPEDIMENTS

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### **Impediment 4. High Number of Households with Severe Housing Problems.**

The City of Pasadena faces overwhelming housing needs. Based on recent Comprehensive Housing Affordability Strategy (CHAS) data from 2015 – 2019, approximately 35% of Pasadena households experience at least one of the four housing problems, with cost burden ranking as the highest. The four housing problems are defined as a lack kitchen, a lack of complete plumbing, severe overcrowding, or cost burdened. In the city there are an estimated 9,965 renter households and 4,362 owner-occupied households who are cost burdened.

### **Impediment 5. Large Number of Housing Cost Burdened Households.**

Housing cost burden, which means households requiring greater than 30% of household income spent on housing costs, is the greatest housing problem in Pasadena. Low-to moderate income households are the most affected population. In 2021, 46.1% of the renter households were required to spend more than 30% of their household income on rent, while 23.6% of households in owner-occupied units were similarly burdened.

### **Impediment 6. Above Average Amount of Crowding.**

Three income categories had a racial group with a disproportionately greater need. Hispanic households have the highest frequency of housing problems (7,440 households), followed by White households (2,394 households) and Black/African American households (479 households).

The City of Pasadena believes that a significant barrier to affordable housing in Pasadena is nonprofit organizations' limited capacity for affordable housing and poor economic market conditions for low-income homebuyers.

### **Impediment 7. Reductions in Federal Financial Assistance.**

There is a decline and a shortage of public funding for housing related programs. The city did not receive Emergency Solutions Grants (ESG) Program funds in program year 2022. The ESG funding have helped provide shelter support and other services for vulnerable populations. When there is a lack of available resources to support these programs, people who are homeless may be forced to live in areas where they do not want to live, or they may be forced to live in overcrowded or substandard conditions.

### **Impediment 8. Shortage of Housing Vouchers.**

There are a high number of persons on the waiting list for housing vouchers. The City of Pasadena's Housing Department administers 1,094 housing vouchers. However, there are more than 5,672 individuals on the waiting list for housing vouchers. The city assists approximately 100 families from the waiting list per year.

There is also a need to increase landlord participation in the Housing Choice Voucher Program. Turnover on the housing voucher list is 14% annually. Consequently, a person must wait an average of 45 months on the list to secure a housing voucher. The City of Pasadena Housing Choice Voucher Program waiting list is currently closed and is not accepting applications at this time. The Pasadena Housing Office will publicly advertise when the waiting list opens.

**Impediment 9. Inadequate Staffing for Housing Rehabilitation Program.**

The waiting list is closed for the City of Pasadena's Housing Rehabilitation Services Program, administered under the HOME Investment Partnerships (HOME) Program, due to limited staff capacity. The program provides rehabilitation, demolition, and reconstruction of single-family homes owned and occupied by low-to moderate-income residents. The program seeks to bring properties into compliance with local codes and provide safe, decent, affordable housing for low-income individuals.

When funds are available, the financial assistance provides a no-interest 100% deferred loan. Deferred payment loans are secured by a lien on the property and forgiven at a yearly rate determined by the amount of assistance and affordability period of the project. The homeowner(s) must occupy the home as his/her principal place of residence throughout the duration of the affordability period.

**Impediment 10. Large Homeless Population.**

Point in time survey in 2022 indicated 2,964 sheltered and unsheltered homeless (countywide), 1,534 were sheltered in Harris County, and 1,430 were unsheltered. Only one child (14-17 years old) was counted among the unsheltered population, but one in five of the total sheltered population was under age 18. Homelessness can make it difficult for people to find jobs, get healthcare, and participate in their communities. This can lead to isolation, discrimination, and a cycle of poverty that is difficult to escape.

**Impediment 11. Declining Housing Affordability.**

Rental rates and home prices increased faster than incomes resulting in a decline in housing affordability. Since 2013, the median home value of \$102,400 increased by almost 40% (\$142,900), while the median rent (\$647) in 2013 increased by 62.7% (\$1,053) in 2021, according to HUD data. Home prices across the nation grew even more rapidly in 2022 increasing the challenge for renters to become homeowners.



## SECTION IX – FAIR HOUSING ACTION PLAN

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### RECOMMENDED ACTIONS

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The City of Pasadena recognizes that there are important steps to mitigate these barriers to affordable housing, including a combination of planning, legal, and financial tools. These recommended actions seek to not only build on existing policies and programs but offer new or expanded actions to stimulate residential investments and increase the supply of affordable housing in the city. The following actions will further this objective.

#### **Action 1: Reform, Remove or Modify Regulatory Barriers to Additional Affordable Housing.**

The city's elected and appointed officials and other community leaders should continue to assess the regulatory barriers that discourage the production of affordable housing.

Some recommendations to address these barriers include:

- a) Revise regulations that inhibit the range of lot sizes and housing types.
- b) Reducing 25-foot setbacks to allow higher density and/or the number of bedrooms in a unit.
- c) Raising the 0.4 floor area ratio. The more intense use of residential land can provide increased opportunities for affordable housing and reduce the housing unit purchase price or residential rental rate.
- d) Reducing minimum lot sizes, yard size requirements, zero-lot-line development to increase usable space and other missing middle housing options and processes and reducing or eliminating minimum residential lot sizes that enables more land efficiency and affordability.
- e) Fast-tracking the approval process for proposed developments that incorporate affordable housing units.
- f) Encouraging and promoting the development of accessible housing units in all multi-family buildings.
- g) Revise the parking design requirements for multi-family residential to facilitate maximizing density.
- h) On-going review of city codes that have inconsistencies within each other and with state statutes, making it more challenging to address affordable housing.
- i) The city should identify and support innovative construction methods which may include plumbing or electrical techniques that can contribute to lowering the cost of new housing. Also, allowing flexibility in rehabilitation codes while maintaining protection of health and safety.

These reforms can stimulate the rehabilitation and/or conversion of existing buildings to affordable housing and serve, in part, to address the City of Pasadena's lack of land use zoning.

## **Action 2: Consider New Financial Incentives for Affordable Housing.**

Texas Local Government Code (Section 214.905) authorizes municipalities to “create incentives, contract commitments, density bonuses, or other voluntary programs designed to increase the supply of moderate or lower-cost housing units.” The city should identify and provide meaningful added financial and development incentives to private residential developers and nonprofits to construct and/or rehabilitate affordable housing. This action necessitates establishing affordable housing criteria for which incentives such as fee discounts or waivers may be offered for new and redevelopment residential projects that meet affordable housing criteria resulting in more affordable rents or sales prices for current and future residents.

The City of Pasadena should initiate and promote an Employee Housing Assistance Program to public agencies for full-time public employees (public education, city, and county government, etc.). The city should also encourage new private employers to offer a Housing Allowance Cafeteria Plan that could assist Pasadena-based employees in becoming homeowners. Such employee housing assistance programs elsewhere include employee down payment assistance; forgivable loans tied to tenure; and rental allowances. These approaches should be promoted to large area employers that may help address housing affordability, especially for their lower wage workers.

Additionally, density bonuses can be offered to encourage more efficient land use beyond subdivision densities when affordable housing units are included in proposed residential or mixed-use developments. Increased density is also recommended for greenfield or redevelopment sites along transportation corridors, commercial and mixed-use areas that will offer housing closer to or with easier access to employment centers.

Other incentives could include:

- a) Assist with payment or financing utility improvements for affordable housing, such as water.
- b) Reduce annual permits for multi-family units and water rates for affordable units (matching discounts offered to water users who are 65 years and over).
- c) Reduce building permit and plan check fees for units meeting affordable housing criteria.
- d) Actively recruit and support LIHTC developers.

## **Action 3: Identify and Make Available Surplus Public Lands for Affordable Housing.**

Surplus public lands can contribute to providing affordable housing. This approach may also include reusing surplus public buildings, surplus and unused parkland, closed schools, or other excess public land.

The city should identify and offer surplus, vacant, or underutilized Harris County-owned and city lands in Pasadena for the potential reuse as affordable housing. This housing can be accomplished through partnerships with nonprofit housing partners to acquire properties for constructing new residential development of potential affordable housing units.

#### **Action 4. Expand Tenant Outreach and Adopt Eviction Assistance and Prevention Measures.**

It is recommended that Pasadena expand outreach to tenants to inform them of their tenant rights. A proposed landlord/tenant handbook and other forms of outreach across multiple city departments would include explanation of the rights and responsibilities of both the landlord and tenant; guidelines when entering into a new lease; tips for tenants and landlords; and explanation of the eviction process. In addition, the city should expand outreach to renters with disabilities who encounter landlords who may refuse to accommodate requests. Expanded outreach can also serve to inform prospective tenants of their right such as being denied the opportunity to rent to households because their household has children.

#### **Action 5: Continue to Inspect, Encourage and Promote Lead-based Paint Removal.**

Efforts to address lead-based paint removal in the city's older housing stock is limited and the city should more widely publicize and distribute the "Protect Your Family from Lead in Your Home" booklet in English and Spanish to landlords, realtors, lenders, the Hispanic Business County, and health care providers based in Pasadena. In addition, the city should:

- a) Continue active inspection for all houses that receive HUD, CHDO or city funds, as well as other privately owned housing units applying for any renovation or significant remodeling permits in the city.
- b) Continue city staff training and certification for personnel conducting or supervising units requiring lead-based paint reduction or removal.

#### **Action 6: Increase Funding for Local Homeless Programs.**

In addition to the city's active partnership with the Coalition for the Homeless, additional financial support is required to increase the number of the emergency shelters for homeless individuals and families and help operate these shelters within the city limits. The city should allocate funds to the Street Outreach program and/or other homeless prevention actions that identify and offer services needed for homeless persons in Pasadena.

#### **Action 7: Expand Owner and Rental Rehabilitation Programs.**

The city has a Neighborhood Matching Grant Program that assists neighborhoods and homeowner associations with projects that create a mutually beneficial partnership between the neighborhoods and the city.

The city should also utilize the Mobile Home and Single-Family Home Repair Programs and continue to partner with Community Housing Development Organizations in the development of new single-family houses for very low-income persons and continue the acquisition, rehabilitation, and preservation of affordable rental or owner occupied housing units for low- and very low-income households.

The City of Pasadena's Housing Rehabilitation Services Program that provides rehabilitation, as well as demolition/reconstruction, of single-family homes owned and occupied by LMI residents is currently operating but has closed its waitlist due to limited staff capacity. This program should be expanded to the extent that staffing and funding allows. The program brings properties into compliance with local codes and provides safe, decent, affordable housing for low-income individuals. Financial assistance is provided in the form of a no-interest 100% deferred loan. Deferred payment loans are secured by a lien on the property and forgiven at an annual rate determined by the total amount of assistance and affordability period of the project.

Relatedly, it is advisable to consider the below policies to further incentivize development:

- Waiving unnecessary permitting fees for supportive housing projects;
- Creating a centralized lead agency that can unify the work product of all city departments and eliminate existing permitting silos;
- Establishing a one-stop-shop for pre-development of pre-approved templates for modular and prefabricated design;
- Activating mission-driven private and philanthropic capital to create affordable housing;
- Development financing alternatives to low-income housing tax credits leveraging local, state, and federal funding opportunities to generate revenue to develop affordable and supportive housing projects; and
- Changing housing placement criteria while ensuring appropriate services are available for varied populations.

**Action 8: Continue Promotion of Fair Housing.**

Pasadena must continue its efforts to support fair housing outreach and public education including fair housing training events, distribution of fair housing materials in multiple languages, and through continuous media outreach.

Together, these actions will contribute to reducing the number of households with severe housing problems as described in the Regional Analysis of Impediments to Fair Housing Choice for Pasadena households that experience one or more of the four housing problems. The implementation of these actions will support the affordable housing needs in the City of Pasadena and expand the amount of affordable housing and further fair housing practices.

## CONCLUSION

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The City of Pasadena faces challenges in providing fair housing choice, especially for low- and moderate-income households. City leaders are committed to addressing these challenges through policy and community-oriented initiatives. The city will work with community residents, housing stakeholders, and non-profit and for-profit partners to build on recent improvements and opportunities to increase fair housing choice. The city will continue working with community partners to raise awareness of fair housing issues and to educate the public about their rights. The city will also continue to enforce fair housing laws and to hold violators accountable. The City of Pasadena is committed to ensuring that all residents have the opportunity to live in a safe, affordable, and integrated community. The city's efforts to address the challenges of fair housing choice are an important part of this commitment.

The Fair Housing Action Plan included in this report provides a roadmap for policymakers and the public to focus efforts and advance fair housing choice in the near future. The city will also leverage its CDBG and HOME funding and public programs to assist in realizing these goals. The actions listed will be addressed over the next five years, aligning the accomplishments of these actions with the consolidated planning cycle. Although all of the impediments to fair housing choice will not likely be eliminated in a short time period, such as five years, the city of Pasadena will strive to affirmatively further fair housing and reduce these barriers to promote fair housing choice.

# APPENDIX

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## FEDERAL FAIR HOUSING LAWS

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Federal laws provide the backbone for U.S. fair housing regulations. A brief list of laws related to fair housing, as defined on the U.S. Department of Housing and Urban Development's (HUD's) website, is presented below:

*Fair Housing Act Title VIII of the Civil Rights Act of 1968 (Fair Housing Act)*, as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and persons securing custody of children under the age of 18), and handicap (disability).

*Title VIII was amended in 1988 (effective March 12, 1989) by the Fair Housing Amendments Act.* In connection with prohibitions on discrimination against individuals with disabilities, the Act contains design and construction accessibility provisions for certain new multi-family dwellings developed for first occupancy on or after March 13, 1991.

*Title VI of the Civil Rights Act of 1964.* Title VI prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

*Section 504 of the Rehabilitation Act of 1973.* Section 504 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.

*Section 109 of the Housing and Community Development Act of 1974.* Section 109 prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development Block Grant Program.

*Title II of the Americans with Disabilities Act of 1990.* Title II prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance and housing referrals.

*Architectural Barriers Act of 1968.* The Architectural Barriers Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 be accessible to and useable by handicapped persons.

*Age Discrimination Act of 1975.* The Age Discrimination Act prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.

*Title IX of the Education Amendments Act of 1972.* Title IX prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance.

### **FAIR HOUSING RELATED PRESIDENTIAL EXECUTIVE ORDERS**

*Executive Order 11063.* Executive Order 11063 prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.

*Executive Order 11246.* Executive Order 11246, as amended, bars discrimination in federal employment because of race, color, religion, sex, or national origin.

*Executive Order 12892.* Executive Order 12892, as amended, requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating the effort. The Order also establishes the President's Fair Housing Council, which will be chaired by the Secretary of HUD.

*Executive Order 12898.* Executive Order 12898 requires that each federal agency conduct its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color, or national origin.

*Executive Order 13166.* Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally assisted and federally conducted programs and activities.

*Executive Order 13217.* Executive Order 13217 requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities.