

Jomsky, Mark

From: darrell@planningventures.com
Sent: Monday, March 14, 2016 2:53 PM
To: Jomsky, Mark
Cc: White, Michelle; Jill Shook; 'Martin Yuson'; Rose Marie Elizondo; A. Gilford; Arnold Siegel; Huang, William
Subject: Consent Agenda tonight Item 8

Hello Mark,

Can you help me get a message to the Council Members about an item on tonight's agenda?

Dear Council Members:

I have read the staff report for tonight's meeting and have great concerns about Item 8 on the consent agenda. As I understand from reading the report, HUD is insisting that the City repay some \$600,000 to them that was spent on an unsuccessful affordable housing project. It is understandable that HUD is only interested in spending money on projects that get built. My concern is how the City decides where this money will come from.

The staff report says the reimbursement should come from money paid by housing developers into the Inclusionary Zoning fund. Although, there is some kind of a nexus here, has the City consulted with the developers who paid into these funds? Has the City attempted to get an insurance fund to pay the debt? Why not take this money from the General Fund, which is probably 200 times bigger than the IZ fund and would not feel the hit so dramatically. When I last asked, the IZ fund had barely \$1.2 million dollars in it. This would reduce the fund by 50% without producing anything of value to the community.

The IZ fund is one of the best tools the City has for producing affordable housing. For the last several years, the Housing Department has not been funded properly by the City. It is not open to the public full time. The development staff was cut 75%. Since the City has saved money by not funding the Housing Department, this reimbursement should come from the General Fund.

For all of these reasons, I ask you to consider taking this repayment from the General Fund, not the IZ fund.

Darrell Cozen
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03/14/2016
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