



July 20, 2004

Mr. Richard Bruckner  
Director of Planning and Development  
City of Pasadena  
175 N. Garfield Ave.  
Pasadena, Ca 91101

**Subject: Proposed Inclusionary Housing Fee Increase**

Dear Richard,

When the City Council considered changing the Inclusionary Housing Ordinance and fees last year the staff report rightly recommended transition measures. These measures would allow projects that are well down the City approval pipeline to pay in lieu housing fees at the current rate if three criteria are met: filing of a master application, approval of an Inclusionary Housing Plan and pre-payment of the in lieu fee prior to the effective date of the new rate.

We believe these measures are rooted in the fundamental principle of fairness and that they should be made part of the current action.

Today, we understand, the staff report would add a fourth criteria to the previous list: an applicant must have submitted drawings to the Building Department for plan check, and must have paid plan check fees prior to the effective date of the new fee to be eligible for the current in lieu fee.

This additional requirement is burdensome and unfair to Standard Pacific Homes' North Lake Lofts project. The North Lake Lofts project would comply with the "Plan Check Criteria" except for significant delays in the processing of the project over the past twelve months. First, the Design Commission hearing was delayed due to last minute reversals in design guidance (commercial vs. residential appearance of the architecture) as the staff report was being finalized for a March 22 hearing. This matter delayed the hearing to April 26. Second, the Call Up of the Design Commission approval by Council Member Gordo, which ultimately affirmed the Design Commission's approval, resulted in another sixty days of delay from April 26 until June 28. Without these delays we would be finalizing our construction drawings today and have no difficulty complying with the plan check criteria.

However, because of uncertainties raised by the design reversal and again by the Call Up of the project approval, Standard Pacific was not able to justify the considerable cost of beginning construction drawings and detailed engineering until barely three weeks ago.

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Consequently, our readiness to initiate Plan Check is delayed beyond the timing proposed in this additional criteria.

While we would be prepared to make a complete "foundation only" plan check submittal more quickly, and in time to meet the plan check requirement proposed in the staff report, we have learned that the Building Department is no longer accepting foundation plans without full construction drawings for all structures. Thus, we must request your assistance.

We urge you to keep the transition criteria as originally proposed last year and drop the proposed additional criteria of plan check submittal.

I will give you a call shortly to answer any questions or comments raised by the above.

Thank you.

Very truly yours,



Tom Paradise  
Director of Acquisitions and Entitlements

  
Steven W. Ross, Consultant



## PASADENA-FOOTHILLS ASSOCIATION OF REALTORS®

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July 20, 2004

Mayor and Councilmembers  
City of Pasadena  
117 E. Colorado Blvd.  
Pasadena, CA 91105

Dear Mayor Bogaard and Members of the City Council:


As professionals in real estate, we, too, are disturbed about the increasing cost of housing in our community. It is clear that many families are being forced out of the Pasadena housing market.

That is why we are so concerned about the proposals before you that increase the fees residential developers will pay. These fee increases should not be considered in a vacuum. We urge you to study proposals to increase the inclusionary housing in-lieu fee and the parks fee concurrently. **Together, if passed as proposed, these increases will double the fees developers will pay to the city.**

Of course, the ultimate cost of the increases will be borne by the new homeowner. *In a market where only 19% of California's families can afford the cost of a median priced home, additional costs of the types you are considering are unconscionable.*

The 2,000 members of the Pasadena-Foothills Association of REALTORS urge you to vote no on increased in-lieu fees and no on increased park fees. Affordable housing is a citywide (indeed, statewide) problem. The entire city should be part of the solution - not residential developers and, ultimately, the city's homeowners.

Sincerely yours,

  
JOYCE KRISTENSSON  
President

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For release:

Thursday, July 8, 2004

## California's Housing Affordability Index falls eight points in May to lowest level since 1989

LOS ANGELES (July 8) – The percentage of households in California able to afford a median-priced home stood at 19 percent in May, an 8 percentage-point decrease compared to the same period a year ago when the Index was at 27 percent, according to a report released today by the California Association of REALTORS® (C.A.R.). The May Housing Affordability Index (HAI) declined one point compared to April, when it stood at 20 points.

C.A.R.'s monthly housing affordability index measures the percentage of households that can afford to purchase a median-priced home in California. C.A.R. also reports housing affordability indexes for regions and select counties within the state. The index is the most fundamental measure of housing well-being in the state.

The minimum household income needed to purchase a median-priced home at \$465,160 in California in May was \$108,450, based on a typical 30-year, fixed-rate mortgage at 5.77 percent and assuming a 20 percent downpayment. The minimum household income needed to purchase a median-priced home was up from \$84,600 in May 2003, when the median price of a home was \$367,630 and the prevailing interest rate was 5.62 percent

The minimum household income needed to purchase a median-priced home at \$183,600 in the U.S. in May 2004 was \$42,810.

At 46 percent, the High Desert region was the most affordable C.A.R. region in the state, followed by the Sacramento region at 29 percent. The Santa Barbara region was the least affordable region in the state at 7 percent.

C.A.R.'s June 2004 sales and median price report for the state and regions within the state will be released on July 26.

The California Association of REALTORS® (<http://www.car.org>) is one of the largest state trade organizations in the United States, with more than 135,000

members dedicated to the advancement of professionalism in real estate.  
C.A.R. is headquartered in Los Angeles.

C.A.R. HOUSING AFFORDABILITY INDEX \*

	May-04	Apr-04	May-03
*California	19	20	27
California - Condos	28	31	39r
United States	55	58	59
C.A.R. REGION			
Central Valley	30	32	38
High Desert	46	52	64
*Los Angeles	18	20	28
Monterey Region	12	12	17
Northern California	22	24 r	32
Northern Wine Country	14	14	17
Orange County	11	13	21
Palm Spgs/Lwr Desert	11	13	23r
Riverside/San Bernardino	25	27	40
Sacramento	29	33	42
San Diego	11	14	21
S. Fran. Bay Area	14	17	19
San Luis Obispo	16	20	18
Santa Barbara County	7	13	19r
Santa Clara	22	24	26
Ventura	15	17	26
COUNTY			
Alameda	16	18	20
Contra Costa	10	11	11
Fresno	31	34	44
Marin	14	16	18
Merced	25	30	31r
Riverside	18	20	35
San Bernardino	31	34	47
San Francisco	11	12	12
San Joaquin	25	28	33
San Mateo	15	17	17r
Santa Cruz	14	15	17r
Sonoma	14	15	17
Stanislaus	33	35	38

\* -- percentage of California households that can afford to purchase a median-priced home

## **Words dedicated to the City of Pasadena community.**

While participating in various public forums in Pasadena the last few weeks, Latinos have been met with diverse reactions to their mobilization. Some have been negative while others have been very positive. Nevertheless, we constantly hear that there is a lack of solutions being offered to eliminate the segregation the Latina/o and impoverished communities experience the last two years through a process of forced economic expulsion caused by rent increases.

Our first point is to make clear that we are not here to complain. Communities with dignity do not spend their lives shedding tears. But we do want to condemn the lack of a social policy that protects all residents of this beautiful city, regardless of their ethnic, cultural, social, or economic status.

Our second point is that we want to propose solutions, but these solutions have to be understood from an integral point of view that considers all aspects that affect the diverse communities of Pasadena. You cannot solve a problem in parts without considering other pieces of the problem.

Our third point is to reconsider the reasons we are told it is not possible to solve the problem of accessible affordable housing for low income families:

1. **We are told that the city has reached its growth limit.**  
This is false since we know that the construction of around 5,000 more homes is projected, but only for high income families.
2. **We are told that there is no money.** Again, this is false since there are federal and state resources, plus taxes from building permits in Pasadena; from these a fund for low income housing can be established.
3. **We are also told that there is no land to build housing.**  
In reality there is space available to build housing in the properties controlled by the school district or the MTA.
4. **It is argued that the city needs investments in order to grow,** that without them the city will sink. To invest in housing for low income families does not mean to give housing away, it

07/26/2004

6.A. (7:00 P.M.)

Submitted by Susana Zamorano

means investing in the needs of residents; property will not be free, it will be sold at a fair rate in order to make it accessible.

5. **Finally, we are told that establishing rent control unrealistic** and fails to solve the problems of finding a permanent, stable homes. This may be true but if we do not establish rent control at least for the time being, Pasadena will completely lose its diversity.

Together, we need to confront the new reality that exists not just in Pasadena, but in all of California's cities. To start, we propose the following actions:

- a) Prepare a census of families that already reside in Pasadena and whose annual earnings are below \$25,000.
- b) Identify the families that have children enrolled in Pasadena's public schools and require stability in order to study and become responsible residents that are committed to their communities.
- c) Identify students and elderly who also need housing.
- d) Establish a wider social policy that will consider the spaces and resources necessary in order to construct affordable housing for low income families and members of the community. These spaces can be distributed throughout the city and not just in Northeast Pasadena.
- e) Form a "community credit union" that provides savings for these families so they may secure housing for their children. The government fund would match each dollar they deposit. We can invite other organizations such as National Council of La Raza and Hermandad Mexicana to be a part of this economic fund for housing.
- f) Create a revitalization program in low income zones to eliminate the problems that cause distress to our communities; this is a far-reaching program that will involve community organizing and participation. It will provide residents with security and peace of mind.

We are committed to work arduously on these tasks with you; it's only a matter of you as politicians choosing to exercise your power in favor

of diversity and the right for people of different ethnicities, cultures, and economic backgrounds to coexist in Pasadena.

**Let's save Pasadena and its multicultural diversity!**

**Fraternally,**

**Asociación de Padres de Pasadena Latinos por la Educación  
(APPLE)  
Instituto de Educación Popular del Sur de California  
(IDEPSCA)**