

March 3, 2018

Dear City Council,

While I love Heritage Housing Partners (HHP) and the idea of beautifying a long-standing blighted gas station by the main Post Office, the way the funding is being proposed is a bad idea.

We are setting a terrible precedent by bypassing the Housing Department and sending inclusionary dollars directly from one project to another. By doing this, we are losing any chance of leveraging the \$10 million in-lieu funds for future projects, which could multiply this amount many times over to create sorely needed affordable units. This very short-sighted.

The funds given to Heritage Housing Partners would be a grant. This grant would not create a flow of money coming back to the Housing Department to invest in other projects. We will not only lose money to leverage for future projects, but also deprive the Housing Departments of needed funds, because all decisions on this project are being made the by City Manager and City Council.

This is very problematic. Even though the Housing Department has lost 85% of funding in recent years due to cuts from HUD and the loss of Redevelopment, it has an excellent reputation, having won national recognition for lowering the homeless count by 54% between 2011 and 2017 and having won an award with Austin, Texas, for some of the best housing policy in the nation. We need to draw from our Housing Department's expertise in addressing our city's sever housing crisis—not bypass the department completely.

The Housing Department has the knowledge and ability to explore various funding sources that could save the City money. It could, for example, invest a percentage of that \$10 million (say, \$100,000) into an affordable housing deal that could help a developer access other funding sources. With the vote of confidence demonstrated by this investment, the developer could apply for tax credits, HUD and other investors, multiplying these dollars many times over. I hear how much our city needs money, so why would we not take advantage of multiplying these funds when we have the chance?

With the City Manager's proposal none of these funds would be leveraged. The city will lose an opportunity to access much needed funds that could help the City solve its affordable housing crisis.

This proposed project would improve a blighted corner where the defunct gas station now sits on NE corner of Lincoln and Orange Grove across from the Post Office, but at great expense, foregoing any future leveraging opportunities, setting a wrong-headed precedent of how we do affordable housing in the city. This is a bad policy.

This project also creates an imbalance in investment, focusing only on homeownership, not renters. Over 58% of Pasadena's residents are renters, and many are cost burdened due to excessive rents. Many of our homeless residents desperately need permanent supportive housing. We need affordable homeownership, but this needs to be balanced with funds and sites for rental units so we can end homelessness in our city.

If the Housing Department is given an opportunity to explore best uses of this \$10,000,000 and the support of the City Council, we could end homelessness in our city and put Pasadena on map and an example to many other cities. This deal is not the way to get out of our housing crisis.

Some say we have a homeless problem, but in reality we have a housing problem. And an image problem. We hope that homelessness will somehow go away, without providing permanent supportive housing. We need courage and understanding. We need to be better stewards of our funds and to approve how this project is being proposed.

Jill Shook

We have an outstanding housing department and housing director, so

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