



November 2, 2022
Public Comment Regarding Agenda Item 16

Dear Councilmembers,

On its face, Senate Bill 381 declares that “the state’s homelessness crisis has compounded the need for affordable housing,” and sets out provisions that seemingly require South Pasadena to transfer vacant Caltrans houses to Housing Related Entities for the creation of deed-restricted affordable housing. The city’s third draft housing element calls for converting the vacant Caltrans houses into affordable housing (Program 1.b).

Yet, today the City is poised to take *state-owned land* – purchased by taxpayers decades ago to be *demolished* – and hand it over to private buyers to create more \$1.5 million homes, while making empty promises to build affordable units somewhere else, some other day.

How did we get here? The City is embracing the South Pasadena Preservation Foundation (SPPF) plan for the vacant Caltrans houses. The City has made a policy decision to maintain these properties as single family homes rather than demolishing them and developing multifamily housing. The City Council is evidently capitulating to community members who have made public comments that the creation of affordable housing will bring blight, drug dealers, crime and decreasing property values. The decision privileges single-family houses over multifamily housing – part of a long-held pattern that has locked low-income people and people of color out of South Pasadena, and has contributed to the region’s housing crisis, homelessness, and overcrowding.

The City kicks the can down the road by saying SB 381 allows it to transfer these properties to private buyers provided that the City creates affordable housing at a 3:1 ratio. But, without any details attached to this deal, its ‘commitment’ looks like a charade.

Here’s the reality. First, the math does not check out. The South Pasadena Preservation Foundation claims the city would get \$20 million for selling the 20 homes to historic home flippers, less the City’s \$1.9 million expense of purchasing them, for a net of \$18.1 million. Even accepting that rosy projection, the Los Angeles Times has found the average price of building affordable housing units in California is as high as \$1 million a unit. There is little prospect that the proceeds from the sales will enable construction of 66 or more affordable units to replace the 22 vacant Caltrans units.

Second, under SB 381 the city must begin paying penalties to the state if the units are not under construction by 2025. Meeting this deadline is exceedingly unlikely.

Third, the City has repeatedly lamented in public meetings and to the California Department of Housing and Community Development (HCD) that South Pasadena is completely built out, and there is no room to build additional housing. (Third Draft Housing Element at 1, 96, F1-1). These exact Caltrans properties are some of the last remaining parcels to build a significant number of affordable units.

Care First South Pasadena is deeply concerned that the City has no sincere interest in building multifamily affordable housing.

What's worse is that much of this deal-making has happened behind closed doors in closed session, as it has been wrapped into ongoing litigation about one Caltrans property (626 Prospect). The South Pasadenan reports that a resolution of that lawsuit will likely determine the disposition of all 20 vacant properties.

Care First demands that the City invite a diverse range of stakeholders and community members to participate in the City's decision about the disposition of these houses. The City needs to answer a number of question, including:

- When and how did the City make the decision that the vacant Caltrans houses must remain single-family housing?
- Was the alternative of demolition and conversion into multifamily housing studied?
- Which stakeholders were invited to participate in the decision to rehabilitate the current structures?
- What is the City's plan to construct 66 affordable units elsewhere in the city?
 - Has the City studied the economic feasibility of this?
 - Where will the units go?
 - How will the City break ground on 66 affordable units by 2025 to avoid penalties?
- How would the proposal to use the vacant Caltrans homes as single-family housing meet the City's obligation to affirmatively further fair housing?
- How would any replacement affordable units built under this deal affirmatively fair housing?