

Dear Council Members,

Thank you for sharing the audited budget.

The section of the Lease-Leaseback Agreements specifically states that the land that Park Village sits on was purchased as Open Space. It is not being used as Open Space. Why are citizens paying for the private use of what was intended to be open space? Below is from page 81 of Agenda Item 5.

Lease-leaseback Agreements – Mobile Home Park

The City entered into a similar lease financing arrangement with the Municipal Finance Corporation for the purpose of obtaining partial financing for the purchase of an existing mobile home park as part of an open space program of the City. The lease was for \$817,500 and it also is payable from any source of legally available funds.

The annual debt service requirements are as follows

Year Ending June 30,	Principal	Interest	Total
2024	\$ 52,580	\$ 12,004	\$ 64,584
2025	55,186	9,698	64,884
2026	57,925	6,659	64,584
2027	60,797	3,787	64,584
2028	31,520	772	32,292
Total	<u>\$ 258,008</u>	<u>\$ 32,920</u>	<u>\$290,928</u>

Did voters ever approve of the apparent, after the fact change of commitment for the land that Park Village sits on? Are citizens aware that they are paying a mortgage, insurance and maintenance for a piece of privatized property? Did they approve this extremely low-income housing development which is required by State Law?

“The potential legal obstacle is Article 34 of the state Constitution, passed by voters in 1950, that requires approval of local voters for any new “low-rent housing projects” that are “developed, constructed, or acquired” by a government agency.”

See: <https://www.sfchronicle.com/politics/article/project-homekey-millbrae-lawsuit-18625959.php>

As the City has declared a fiscal emergency, the City needs to unburden the budget by having WCCS pay rent to the City in an amount which covers mortgage payments, insurance and maintenance.

In addition, the City needs to have citizens vote on whether they want to continue hosting a rental facility for extremely low-income people on what is supposed to be open space. The City

needs to be transparent with its citizens about the intent of the purchase of the land, which was public open space, its current usage and its cost to citizens.

In addition, Park Village sits on a floodplain which makes it an inopportune place for housing. I suspect its proximity to the Laguna and its potential for flooding was one of the original reasons it was purchased for public space and not considered for housing development.

Best,
Kate Haug