



August 16, 2019

Kelly Stachowicz, Assistant City Manager
Office of City Manager
23 Russell Blvd., Suite 1
Davis, CA 95616

Re: Pacifico Request for Proposals

Dear Kelly:

After reviewing the City of Davis's Request for Proposals for the redevelopment of the Pacifico affordable housing development, Mutual Housing believes that the most appropriate plan would be to demolish the existing structures and construct new and sustainable affordable housing.

The design of the existing Pacifico housing is not operationally viable. Even as affordable housing, the fact that its units include neither individual kitchens (or even kitchenettes) nor bathrooms make them very difficult to rent on a consistent basis. Additionally, State and Federal financing programs that will be needed to redevelop the property are not suited for this type of cooperative living product type. Most importantly, Mutual does not believe the conventional lenders and investors that we and other affordable housing developers work with would be interested in financing this property in its currently configuration.

While we understand that demolishing the existing housing will in the short term result in a loss of affordable units, we believe that in the long-term the only operationally and financially viable solution is to develop new housing that will better meet the needs of your community's low-income residents as well as those of the public and private lenders and investors needed to finance the project. Rather than proposing a specific project at this time, we believe it more appropriate—should Mutual Housing be selected by the City—to work together with the City of Davis to devise a project that both meets the goals of the City as well as those of potential funding sources.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Roberto Jimenez".

Roberto Jimenez
Chief Executive Officer