

John Kvammen

July 24, 2014

Brent L. Green
Chief, Division of Right of Way and Land Surveys
ATTN: Affordable Sales Program
California Department of Transportation
1120 N Street, MS 37
Sacramento, CA 95814

Dear Mr. Green:

It is apparent to me that Caltrans is only focusing on one aspect of the intent of the Roberti Bill with its proposed Regulations. At the last Public Hearing, at which you were present, Senator Roberti stated that his bill was written with two objectives in mind, preservation of neighborhoods and affordable housing equally. He fears that Caltrans is only looking at the affordable aspects of the Roberti Bill. I believe this is true. It is apparent to me that the Affordable Housing groups have unequal access to Caltrans. We are limited to a 2 minute statement at a hearing where it seems Caltrans has already made it's decisions and is just going through the motions. The Affordable Housing groups seem to be meeting with Caltrans and others on an ongoing basis. The Tenants are not meeting with anyone. As I stated in my oral comments, I have not seen one representative of an Affordable Housing group testify at any of these Public Hearings.

These Regulations, as proposed by Caltrans are a clear violation of the Roberti Bill. They will prevent many Roberti eligible tenants from buying their homes. I have three primary objections to the Regulations as proposed.

- 1) Caltrans has priority over a lender on the deed. If a lender's investment is not secured, the loan will not be made. If a Tenant can not get financing, he/ she will not be able to buy the home. It is a violation of the law. This violates both the affordable intent and neighborhood preservation intent of the Roberti Bill. A lender must take priority over Caltrans on the Deed.
- 2) Caltrans places 30 year resale restrictions on the property. I think Brigitte Bergman is the poster person for this issue. She made a statement at last Thursday nights hearing. She began renting from Caltrans in 1964. She has been a tenant for 50 years. Like the rest of us, she has been hoping to own her home for decades. If the 30 resale restrictions are imposed, she will be 106 years old before she owns her home free and clear. She has a right to her house under the law. With these Caltrans restrictions, she will be told to vacate the property or become an indentured owner tenant. She will take on all the risk and expense of being an owner with none of the benefit, until the day she

dies. I'm sure many of us would have made different choices had we known Caltrans would continue to find ways to hang on to these excess properties (in my case, listed as Excess in 2001). Unfortunately, many of us have put most of our retirement eggs in this basket and much of our own personal funds towards maintenance and repairs. Senator Roberti addresses this in his written statement to you. We feel, if there is in fact a reference to 30 year resale restrictions in the Department of Housing and Community Development's recommendations, fine, use that, but count all the years that the property has been affordable including the years the Department has rented the property at a below market rental rate. If you use this as the gage, all but the most recent rentals would be below market rate and therefore will have qualified as affordable housing for the time rented. Caltrans can not have it both ways. You have unsuccessfully been going after us to bring our rental rate up to fair market. This is an acknowledgement that you are charging below market rents. We recommend that Caltrans deduct one year from the 30 year resale restrictions for each year Caltrans has charged below market rent on a property. When Roberti put this bill forward, he believed that a prompt decision would be made regarding what properties would be needed for the freeway, and the rest would be sold. If you add several years for the decision and additionally 30 years of covenants, that would equal around 35 years. These properties would have long ago reverted back into the private housing stock. It has now been 50 plus years and the Department wants to add 30 more? As Roberti said, "lifetimes will come and go before buyers own their property free and clear." Alternatively, there could be an offset of one year for each year an affordable Roberti qualified buyer has rented his or her home. This would be the easiest solution to implement.

3) Caltrans places 30 year restriction on a buyers ability to repair and improve his or her property. Restrictions on a buyers ability to be a full participant in his or her neighborhood with all the benefits and obligations is a violation of the neighborhood preservation aspect of the law. Again, Caltrans expects a buyer to take on all the responsibility for the property with none of the rights of home ownership. The community and cities will continue to look like third world neighborhoods for decades to come if Caltrans controls maintenance and improvements. Caltrans wants a buyer to ask them for permission to make repairs or improvements and accept that Caltrans has full legal control over any changes that might be desired or necessary to the property. This is absurd on its face. There should be no restriction on a buyers ability to maintain or improve his or her property.

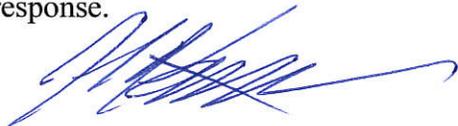
We are very concerned that you are ram Roding these restrictions through without any real debate or understanding of the intent of the Roberti Bill. Sure, you are going through the motions to make it look like the process is transparent. I believe if you deconstruct the Roberti bill you will find plenty of language that supports the neighborhood preservation part of the bill. It is also clear that the recommendations from the Department of Housing and Community Development are only "recommendations". Of course these recommendations would be strictly about affordable housing. That is what the DHCD

Kvammen, Page 3 of 3

does. That does not negate the fact that these recommendations do not address the Roberti Bill in its entirety. The neighborhood preservation part is ignored by these recommendations.

We are accused of being speculators. The question is asked, what if they flip the property? Does anyone really think that Bridgett Bergman is a speculator after living in her house for 50 years. The bottom feeder affordable housing groups are the speculators as past history with Borda and the bundled home sales would testify to. If a tenant has been in a property long enough to offset the 30 years, so what if he/ she decides to sell. I believe most will choose to remain in their homes. After all, if you have been in your home for 30 plus years, your life revolves around this home and neighborhood. But the point is that that the property will have already served its purpose of affordable housing and furthermore if a Tenant has endured dealing with Caltrans all these years, that relationship should end with the sale.

I ask that the Tenants be given equal access to this process and that the California law which is the Roberti bill be enforced and upheld in its entirety. Thank you in advance for your response.



CC: Senator Carol Liu
Malcolm Dougherty, Director, Department of Transportation
Christopher Sutton, Esq.