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From: Doc Powell [REDACTED]
S Monday, July 14, 2014 12:32 PM
To: Affordable Sales Program@DOT
Subject: Affordable Sales Program Hearing (242 Bellefontaine Street)
Attachments: California_Department_of_Transportation_Ltr.docx

Attached please find our written comments for the public hearings regarding the Affordable Sales Program Regulations that Cal Trans is developing.

Please record the attached comments submitted for the hearing.

Thank you,

Doc & Charlene Powell
[REDACTED]

Doc & Charlene Powell

June 29, 2014

California Department of Transportation
1120 N Street, MS 37
Sacramento, CA 95814

Attention Affordable Sales Program:

We received notice of a comment period and Public Hearings on the Affordable Sales Program Regulations that Cal Trans is developing. As the Regulations stand, a tenant who qualifies and buys their house at an affordable price will have Affordable Covenants placed on their home.

Our understanding of these restrictions is:

- You will not be able to sell your house for more than the purchase price for 30 years.
- You will not be able to sell your house to anyone whose income is greater than 150% of the Area Median Income for 30 years.
- You will not be able rent your house for more than an affordable rental rate for 30 years.
- You will not be able to make improvements to your house for 30 years.
- Caltrans will determine what repairs can be made to your house for 30 years.

These are onerous restrictions to place on homes that have already been in the affordable housing category for 40 plus years. The Roberti Bill says, "The Department of Housing and Community Development shall provide to the selling agency recommendations of standards and criteria for these prices, terms, conditions, and restrictions." These are only recommendations. Caltrans is not mandated to follow these recommendations. They can make any regulations they want that will achieve the Roberti Bill objective of maintaining Community and affordable housing.

By placing a 30 year resale restrictions on the Deed, Caltrans would make it very difficult for a Tenant to get a mortgage, thereby preventing a number of Affordable Tenants from being able to buy their homes. Preventing Tenants from obtaining a mortgage goes against the intent of the Roberti Bill.

By placing restrictions on an owners' ability to maintain and improve his/ her property, Caltrans is going against the Roberti Bills intent to sustain and preserve the continuity of Communities. One suggestion regarding the 30 year Covenants is that there should at least be an offset of time for each year of tenancy. After all, these houses have already been part of the affordable rental market since they were purchased by Caltrans in the 60's and 70's. For example, since we have rented our home for 19 years, we would have 11 years of Covenants remaining for a total of 30 years.

The 30 year resale restriction is a "Suicide Covenant". Caltrans should replace it with a "Silent Second", a legal apparatus that allows a lender bank to recoup its money if there is a default, and allows equity to build for the purchaser with each year of ownership.

There should be NO restrictions on a buyer's ability to maintain and improve their property. These restrictions in no way contribute to the goal of maintaining Community or affordable housing stock. These restrictions are contrary to the intent of the Roberti Bill.

We the Cal Trans tenants of 242 Bellefontaine Street have strong concerns regarding these proposed Regulations and object to the Covenants. Caltrans is breaking the intent of the Roberti Bill with these onerous restrictions.

Please consider these restrictions.

Sincerely,

Doc & Charlene Powell

cc: Honorable Senator Liu