

July 8, 2014

California Department of Transportation  
Attention Affordable Sales Program  
1120 N Street  
MS 37  
Sacramento, CA 95814

To whom it may concern:

My wife and I have been good tenants of Caltrans in excess of 25 years and have invested a lot in the property and community. It is with great hope that we have the chance to purchase our house that we rent from you at 230 Madeline Drive in Pasadena. If we are allowed to purchase the property under the Affordable Act, we wish to state that we believe the restrictions are onerous and further believe that Caltrans is breaking the intent of the Roberti Bill with these restrictions.

First, the 30 year Covenants placing Caltrans first on the Deed will prevent us from getting a loan to buy our houses. This goes against the intent of the Roberti Bill. We quote from the Roberti Bill. "54238.4. This article is intended to benefit persons and families subject to displacement and persons and families of low or moderate income. The article shall be liberally construed to permit such persons or families to enforce the rights, duties, and benefits created by the article." These onerous 30 year Covenants will prevent us from obtaining a Real Estate Loan thereby denying qualified Affordable Tenants their ability to exercise their rights under the Roberti Bill.

We believe these are burdensome restrictions to place on homes that have already been in the affordable housing category for 40 plus years. Caltrans has stated that these restrictions are mandated by law for properties purchased under the affordable provisions of the Roberti Bill. This we believe to be false. 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 above statements are only recommendations. We believe there is no direct mandate to follow these recommendations. Any regulations that will achieve the Roberti Bill objective of maintaining Community and affordable housing are acceptable. We also believe that 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.

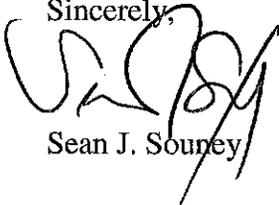
One suggestion that has been discussed regarding the 30 year Covenants is that there should be an offset of time for each year of tenancy. After all, these houses have already been part of the affordable rental market since they were purchased by Caltrans in the 60's and 70's. An example

of this would be, if you have rented your home for 25 years, you would have 5 years of Covenants remaining for a total of 30 years. Another option might be to have what is termed a "Silent Second". This is 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. An example would be, if you had paid 10 years of a 30 year mortgage and wanted to sell, from the sale, the bank would get their money, you would get what you had already paid plus you would get a percentage of the built up equity above what you had paid and Caltrans would get what is left. The more years you own, the larger the percentage you would get until, at the end of 30 years it would be 100 percent.

Finally, we believe 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. In our opinion, these restrictions are also contrary to the intent of the Roberti Bill. Finally, if we do not qualify for the Affordable program, we wish to be able to purchase the property at fair market value as determined by similar properties in similar conditions with similar restorations. We have been committed to and cared for your property with a lot of loving care and dedication to the community at this household for nearly three decades.

Thank you for your attention in this matter. Please let us know if we can offer any additional information to help us move forward in the purchase of the property.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean J. Souney", written over the typed name below it.

Sean J. Souney