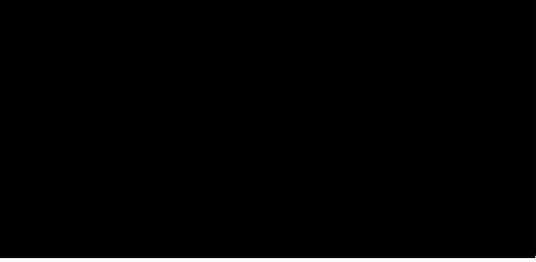


Lowden, Jennifer S@DOT

---

**From:** Nancy WK [REDACTED]  
**Sent:** Thursday, July 31, 2014 1:37 PM  
**To:** Affordable Sales Program@DOT  
**Subject:** Written Comment on Proposed Affordable Sales Regulations.

From Sidney and Nancy Kirkpatrick



To 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

[Affordable\\_Sales\\_Program@dot.ca.gov](mailto:Affordable_Sales_Program@dot.ca.gov)

Re: Written Comment on Proposed Affordable Sales Regulations.

Thank you very much for giving us an opportunity to share with you the valuable insight and experience that we have as long-time Caltrans tenants, waiting for the opportunity to make our long-time home our own. Here are our comments.

A) Included in the **§ 1475 Purpose and Scope** of the Proposed Regulations is the following statement:

“ The proposed regulations are intended to allow Caltrans to dispose of such residential properties in a manner that will preserve, upgrade, and expand the supply of housing available to affected persons and families of low or moderate income.”

We would like that the purpose of the Roberti bill be included here as well. As Roberti himself wrote in his letter to Caltrans, dated July 17, 2014

Regarding "Government code Section 54237. This article is intended to benefit persons **and families subject to displacement** and persons and families of low and moderate income. This article should be liberally construed to permit such persons or families to enforce the rights, duties, and benefits created in the article.

Roberti, in his letter, says the language of this section was a "deliberate reference to the purpose of the bill which is to maintain the fabric of community while creating safe, affordable housing for its residents.

**B) Roberti Comments:** In general, we would like to ask Caltrans to adapt the Proposal to reflect solutions to the problems and concerns raised by Roberti in his letter, as described above.

### **C) Regarding Occupancy Requirements**

The proposal states that an occupant is defined as d) .... is of majority age, and is listed on the lease or rental agreement.

For children who moved in with their parents, and reached the age of majority while residing in the house and continue to reside in the house, please be sure to ensure that the date of occupancy is recorded as the day they moved in, and not the day they were added to the lease after reaching the age of majority.

### **D) Regarding the Fair Market Value of the House:**

i) For tenants who invested sums of money in the improvement of the house they lived in, **receive a credit for those improvements**. As an example, in the case of the house we lived in, we invested 10s of thousands of dollars making the house livable. Improvements include taking the asphalt parking lot out of the back yard, putting in sprinkler systems and vegetation including lawns. (the property was a desert), maintaining the lawns and vegetation over the course of many years, painting the house, inside and out, doing repairs, building fences, etceteras. In addition to that, all appliances and their repair and replacements have been paid for by the tenants. All of these time and money investments could feasibly add to the fair market value of the house. It would be unfair to have to pay for these investments twice..first when we put them in, and second, when the value of the house is determined.

ii) It is also important that **true comparables be found when determining the fair market value**. When Caltrans was raising rents, they used properties that had perhaps the same number of bedrooms but which had features that the Caltrans house did not, such as locations on quiet, tree-lined streets, nice paved driveways which are not shared with neighbors (our shared driveway is like going down a roller coaster—it has ruined the suspension on at least one of our cars), had central air conditioning, screens on windows, beautiful landscaping with sprinkler systems, beautiful well equipped kitchens, basements, lovely

bathrooms, newly painted, etceteras. Caltrans cannot use these comparables unless there is a fair and bonafide deduction from the "fair" market value, if indeed it is to be "fair."

iii) For those tenants who would qualify for house evaluation based on income, for the Affordable housing costs, we would request that they be given BOTH the as is "fair market value" and the cost if purchased under the Affordable price, so that they have the opportunity to do an honest comparison and know fully what their choices are. This will offset any concerns that the fair market value be actually lower than the affordable price.

#### **E) Re Affordable Price calculation:**

We would like to have examples of this calculation given. If this calculation is as it appears to be, whereby the value is determined by charging what one would pay including interest over the course of 30 years, isn't that charging a mortgage interest rate in addition to any actual mortgage interest rate a purchaser would be paying? If this is the case, we would request that this double interest penalty be removed.

#### **F) Regarding your Good Standing requirement:**

We request that if there is a dispute between occupants and Caltrans management occur as to whether they occupant is in good standing, that there be a neutral party who makes the final decision. We have experienced some poor communication and retro-active charges and changes as well as bullying, all of which is illegal and unfair.

#### **G) Regarding the 30 Year Covenant:**

- i) We ask Caltrans to take the recommendations of Roberti on this topic.
- ii) Also, in instances where tenants have moved from one Caltrans home to another, we request that beginning of tenancy in the first Caltrans home be viewed as the move in date.
- iii) We request that any restrictions on repairs and upgrades from or by Caltrans be eliminated. This will put an undue burden on both the new owners and Caltrans, will make it difficult to obtain financing, put us in danger and put Caltrans in line for serious lawsuits if they are unable or unwilling to give proper approvals in a timely fashion.
- iv) In order to make receiving mortgages more possible, we request Caltrans take the suggestions of attorney Chris Sutton of a "Silent Second".

#### **H) Re Income used to Calculate Affordable Price.**

We would request that the income used by Caltrans be the Federal Taxable Income rather than the Adjusted Gross Income, as it is a fairer evaluation of one's income

**I) Regarding the ability to obtain mortgages**

We request that Caltrans remove anything from the Proposal that would make it difficult for purchasers to obtain financing on their homes.

Again thank you for asking for our input and comments. We do appreciate having the opportunity and hope it will help Caltrans see more sides of the equation when determining the fairest way to approach these arrangements.

Sincerely

Sidney and Nancy Kirkpatrick