

Michael Burch and Diane Wilk

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

July 9, 2014

RE: [REDACTED]

Dear Sirs:

The 30 year Covenants placing Caltrans first on the Deed will prevent us from getting a loan to buy our house. 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."

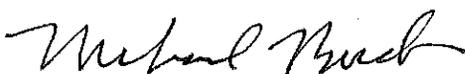
These onerous 30 year Covenants will prevent us from obtaining a Real Estate Loan thereby denying qualified Affordable Tenants their ability to exercise their rights under the Roberti Bill.

One suggestion that has been made 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 14 years, you would have 16 years of Covenants remaining for a total of 30 years.

The Caltrans Tenants Association's attorney, Chris Sutton, calls the 30 year resale restriction a "Suicide Covenant". He believes Caltrans should replace it with a "Silent Second". This is a legal apparatus that allows a lender bank to recoup it's 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. 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, 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.

Very truly yours,



Michael Burch



Diane Wilk