

Caltrans Tenants of the 710 Corridor
696 South Saint John Avenue
Pasadena, CA 91105

April 12, 2015

Jennifer S. Lowden
Assistant 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

RE: Proposed Affordable Property Sales Regulations

Dear Ms. Lowden:

The Caltrans Tenants of the 710 Corridor Association wish to commend you for the changes you have made to the Affordable Sales Regulations. It is clear that you listened to our comments and read our statements. We agree with your time covenant formula. A graduating scale with full equity in five years is perfect. We also appreciate your creativity in finding a way for non Roberti eligible Tenants to buy their homes at fair market with a Double Escrow.

There are only two areas that we feel need further consideration. First, the ongoing rent increases which continue to effect our members should stop immediately and should be rolled back to the level at which they were when Caltrans began the process of adopting legal regulations to facilitate the sale of properties which were purchased by the State for the 710 Corridor. These rent increases potentially force Tenants, who have rights under the Roberti Bill Affordable Sales Program, out of their homes.

As we are sure you know, the income limit for Roberti bill affordable sales is 150% of area median income adjusted for family size. The income limit for the Caltrans Affordable Rent Program is 120% adjusted for family size. This leaves a difference of 30%. Because there is no way of knowing which tenants qualify for the Roberti Affordable Sales Program but do not qualify for the Affordable Rent Program, you must assume that every Tenant not included in the Affordable Rent Program may qualify for the Roberti Affordable Sales program. The Department of Transportation is potentially denying Tenants of their vested legal right to buy their home under the Roberti Bill by raising the rents to an unaffordable level, even though a mortgage under the Affordable Sales Program would likely be equal to or lower than their original rental rate.

Second, we recommended a more inclusive manner to determine income for the purpose of eligibility in the Roberti Affordable Sales Program. There are a number of financial burdens that are reflected in U.S tax code that affect one's ability to afford decent housing.

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Medical bills, college education expenses, care for the elderly, etc. These are all deductible under our tax code. We believe they should also be deducted for the purpose of determining eligibility for the Affordable Sales Program under Roberti. The easiest solution would be to use the Taxable Income from ones Federal Income Tax filing. Short of that, specific deductions for financial hardship events as mentioned above should be included in determining Income.

Thank you for this positive stunning reversal of policy. It appears that Caltrans did hear our concerns and made appropriate changes. Now, lets get these properties sold.

Yours Truly,

Caltrans Tenants of the 710 Corridor

cc: Senator Carol Liu
Senator David Roberti
Christopher Sutton, Esq.