

Moro Cojo

July 28, 2020

Board Action

- Approve the Agreement to Provide Affordable Housing Services between Community Housing Improvement Systems and Planning Association, Inc. (CHISPA) and the County of Monterey.
- Authorize the Board of Supervisors Chair, Chris Lopez, to execute the Agreement to Provide Affordable Housing Services on behalf of the County of Monterey.

Moro Cojo Subdivision

- 161 Self-Help, single-family, ownership subdivision in Castroville
- In 2005, CHISPA obtained a court order clarifying that Condition 99 and the recorded deed restriction “allow for and permit the resale of any and all of the Project Units to persons and families of very low, low, or moderate income.” (Order After Hearing Granting Motion for Clarification of Stipulated Settlement Entered as Judgement Pursuant to CCP §664.6, filed November 4, 2005, in Alliance to Enforce Mandates v. County of Monterey, supra.) This clarification enables resale of the single family homes to moderate income households, but the court order did not alter the duration of the affordability restriction, which remains permanent.

Moro Cojo Development

- The single-family housing development is not governed by the County's Inclusionary Housing ordinance.
- The Single family homes were constructed by the owners under the United States Department of Agriculture (USDA) Rural Development Mutual Self-Help Program, whereby families contributed to the building of their homes and earned "sweat equity."
- The homes are currently allowed to be sold on the basis of "permanent" affordability to moderate income households who earn no more than 120% of the Area Median Income (AMI).

CHISPA and the Agreement to Provide Affordable Housing Services

- CHISPA met with the Center for Community Advocacy (CCA) to discuss the methods that the County uses to establish the maximum price of affordable homes.
- CHISPA met with their attorney, Jason Retterer, regarding the terms/agreement with the County to assist homeowners with resale and refinances of their units.
- CHISPA has voluntarily agreed to assist any homeowner who wishes to utilize CHISPA's services in determining home prices for purposes of sale or refinancing based on these covenants.
- CHISPA may charge a reasonable fee for services, \$500.

Why is this Agreement Needed?

- The County's Housing and Economic Development Department has received inquiries from lenders and realtors on behalf of Moro Cojo homeowners who wish to sell or refinance their homes and has requested that CHISPA administrate the affordability requirements relating to the Moro Cojo Project.
- There is no express requirement in the Moro Cojo Resolution or any conditions of approval set forth therein that obligates CHISPA to administer and enforce in perpetuity the affordability covenants that have been recorded on lots within Moro Cojo and to ensure that homeowners set home prices in accordance with Condition 99.

Moving Forward

- The County has determined that CHISPA has the necessary experience and skill to provide the affordable housing services set forth in the Agreement.
- The County and CHISPA desire to enter into this Agreement for CHISPA's provision of such services to the Moro Cojo homeowners
- In exchange for a fee that CHISPA may charge the Moro Cojo homeowner who wishes to utilize CHISPA's services in determining home prices that comport with Condition 99 and the Stipulated Settlement Agreement for purposes of sale or refinancing of the homes.

Agreement Addition

- **2c. Compliance.** By no later than July 31 of each calendar year, CHISPA shall submit a letter to the County Housing Office summarizing the services it provided under this Agreement in the previous fiscal year, such as the number of households for which CHISPA calculated the maximum resale value of the home and the number of households for which CHISPA made a determination of income eligibility for a prospective buyer.