



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legislation Details (With Board Report)

File #: 23-493 **Name:** Gilman Approval for Revolving Trust Board Report
Type: General Agenda Item **Status:** Passed
File created: 5/30/2023 **In control:** Board of Supervisors
On agenda: 6/13/2023 **Final action:** 6/13/2023

Title: a. Approve and authorize Amendment No. 2 to the Joanna C. Gilman individual Inclusionary Housing Agreement to allow conveyance of her inclusionary unit into a revocable trust; and
b. Approve and authorize the Housing and Community Development Director, or his designee, to execute the approved Amendment No. 2 to Inclusionary Housing Agreement.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Board Report, 2. Attachment A – Gilman - Inclusionary Housing Agreement.pdf, 3. Attachment B – Amendment No. 2 Transfer to Trust PRE 2002 Gilman.pdf, 4. Completed Board Order Item No. 56

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------|--------|--------|
| 6/13/2023 | 1 | Board of Supervisors | | |

- a. Approve and authorize Amendment No. 2 to the Joanna C. Gilman individual Inclusionary Housing Agreement to allow conveyance of her inclusionary unit into a revocable trust; and
- b. Approve and authorize the Housing and Community Development Director, or his designee, to execute the approved Amendment No. 2 to Inclusionary Housing Agreement.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize Amendment No. 2 to Joanna C. Gilman individual Inclusionary Housing Agreement to allow conveyance of her inclusionary unit into a revocable trust; and
- b. Approve and authorize the Housing and Community Development Director, or his designee, to execute the approved Amendment No. 2 to Inclusionary Housing Agreement.

SUMMARY:

Inclusionary Housing Program homeowner Joanna C. Gilman has requested approval to transfer title of her Inclusionary Housing Unit into a revocable living trust as part of her estate planning. She owns the home in the Oak Tree Views Inclusionary Housing Subdivision of Monterra Ranch Properties that are designated as moderate-income units. Under the terms of the recorded Owners’ Inclusionary Housing Agreement with the County (“Agreement”), transfers of title between owner-spouses and to eligible purchasers (i.e., new income qualified owner-occupants) are the only permitted transfers of title. Per the terms of the Agreement, any other transfer of property title, including into a trust, is not allowed.

The current Inclusionary Housing Program does allow for transfers into revocable trusts on certain conditions. However, this provision of the Inclusionary Housing Agreement requires Board approval. The Board has previously approved requests by other Inclusionary homeowners to transfer their inclusionary unit into a revocable living trust.

DISCUSSION:

Owners of Inclusionary units who purchased their home after July 12, 2011, are allowed to transfer their homes

into trusts under Section 3.E. TITLE CHANGES AND PROPERTY INHERITANCE of the Inclusionary Housing Program Administrative Manual previously amended and adopted by the County Board of Supervisors. The amendment, however, did not provide for retroactive application of this provision for existing homeowners who had entered into an agreement prior to July 12, 2011.

The proposed amendment to the Agreement enables the homeowners to transfer title of their property to a trust by expanding the Agreement’s definition of “Permissible Transfer” to include conveyance to a revocable living trust for estate planning purposes. The amendment will allow the County to preserve its affordable housing program by requiring homeowners: (1) specifically acknowledge the continuing conditions of the Inclusionary Housing Program; (2) include specific language in the Deed transferring title into the trust; and (3) include specific language in the homeowners’ trust documents. The proposed amendment will not affect the Inclusionary Housing Program’s restrictions regarding the resale of home to income-and-asset qualified buyers and is consistent with the Ordinance.

OTHER AGENCY INVOLVEMENT:

The County Counsel Office has reviewed this report, and approved the Joanna C. Gilman Trust and Related Documents. The County Counsel Office will approve the Amendment No. 2 to Inclusionary Housing Agreement as to form.

FINANCING:

There is no fiscal impact on the General Fund or on revenues.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The County’s Inclusionary Housing Program provides homeownership opportunities in the unincorporated areas of Monterey County to Low- or Moderate-Income households.

Check the related Board of Supervisors Strategic Initiatives:

- Economic Development Administration
- Health & Human Services Infrastructure Public Safety

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Reviewed by: Darby Marshall, Housing Program Manager, x5391

Approved by: Craig W. Spencer, Interim Director of Housing & Community Development, x5233

The following attachments are on file with the Clerk of the Board:

Attachment A - Gilman - Inclusionary Housing Agreement.pdf

Attachment B - Amendment No. 2 Transfer to Trust PRE 2002 Gilman.pdf