



County of Monterey

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

Board Report

File #: RES 23-055, **Version:** 1

Adopt Resolution to:

- a. Approve and authorize Housing and Community Development housing program staff to exercise the County's option to purchase the inclusionary unit located at 114 Circulo de Casitas, Monterey, CA 93940 after June 15, 2023, pursuant to the Inclusionary Housing Agreement recorded April 30, 2001; and
- b. Approve and authorize the Housing and Community Development Director or his designee to select a buyer (Designee) from the County of Monterey Inclusionary Housing Waitlist to purchase the inclusionary unit.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Adopt Resolution to:

- a. Approve and authorize the Housing and Community Development housing program staff to exercise the County's Option to Purchase the inclusionary unit located at 114 Circulo de Casitas, Monterey, CA 93940 after June 15, 2023 pursuant to the Inclusionary Housing Agreement recorded April 30, 2001; and
- b. Approve and authorize the Housing and Community Development Director or his designee to select a buyer (Designee) from the County's Inclusionary Housing Waitlist to purchase the inclusionary unit on behalf of the County.

SUMMARY:

In 2001, inclusionary owner Marjorie Moore purchased the inclusionary housing unit at 114 Circulo de Casitas (APN 173-131-014-000), in Monterey (the Unit). Since then, Ms. Moore has violated the County's Inclusionary Housing Agreement at least twice. First, Ms. Moore is not occupying the unit as her primary residence. Second, the unit has been rented without County consent or income qualification of the tenant household. Third, the unit has been placed in a trust without the County's written authorization. Collectively, these violations justify the County in exercising its option to purchase the unit under the Inclusionary Housing Agreement. Because Ms. Moore's daughter has indicated that the unit is rented to a military family with orders to remain in the area through May 2023, and to give the County time to identify an income qualified purchaser, staff recommends that the Board authorize staff to exercise the County's option to purchase this inclusionary unit by no later than July 1, 2023.

DISCUSSION:

Marjorie Moore executed the County's Inclusionary Housing Agreement (Agreement). The Agreement, together with provisions in the County's Inclusionary Housing Administrative Manual, establish several occupancy and notice-related obligations for owners of inclusionary homes. related to occupancy and providing notice to the County that owners of inclusionary homes must meet. Paragraph 10 of the Agreement executed by Ms. Moore states: "...until such time as the Option is exercised, waived, or expires, the Unit and any interest in title thereto shall not be sold, leased, rented, assigned, or otherwise transferred to any person or entity except with the express written consent of County...."

The County annually monitors all owner-occupied inclusionary units to ensure that they are not being rented or otherwise sublet. As part of this monitoring, homeowners must attest that they are occupying the unit as their primary residence and provide a current utility statement in the owner's name and showing the address of the inclusionary unit. The Agreement also offers the County the option to purchase the unit at a restricted price if

the owner fails to abide by the Agreement, thus making the unit available to another income qualified purchaser. The County's Option to Purchase Ms. Moore's unit remains in effect until April 2031. (REVISED VIA SUPPLEMENTAL)

Establishing owner-occupancy for this unit has been a challenge since at least 2010 when Ms. Moore first failed to respond to the County's monitoring efforts. At that time the County contacted the homeowner association to see if they had contact information for Ms. Moore. The HOA was sending all Ms. Moore's correspondence her daughter, Lana Canova, in Mission Viejo. Ms. Canova indicated that her mother was an active missionary, frequently spending long periods away from home and that was why she had not responded to the monitoring request.

On February 8, 2022, the County received the annual monitoring certification for Ms. Moore's inclusionary unit. The certification was signed by Marjorie Moore on January 30, 2022, and was accompanied by a PG&E Energy Statement showing service for Ms. Moore at 114 Circulo de Casitas. However, the property insurance showed that the insured's address was in Mission Viejo, CA, while the insured property was in Monterey.

Because of this discrepancy, County staff followed up with Ms. Canova. On March 1, 2022, Ms. Canova provided a letter to the County that stated that her mother had stopped living in the inclusionary unit in March 2020. Ms. Moore subsequently passed away in a residential care home in November 2021. At the time Ms. Moore moved out, Ms. Canova rented the unit to a military family for \$3,500 per month. The lease indicates that the property owner would be responsible for paying the monthly PG&E bill. Ms. Canova's familiarity with, and attempt to circumvent, the Inclusionary Housing Agreements is evident by her attempt to disguise who was occupying the unit when she executed the Annual Monitoring Certification in her mother's name on January 30, 2022, three months after her death, and retaining the PG&E service in her mother's name after leasing the unit.

Ms. Moore's failures to occupy the unit and letting the property to another family without County permission justify the County to exercise its Option under Paragraph 10 of the Agreement. There are currently more than 1,300 households waiting to purchase units through the County's Inclusionary Housing program. Retention of all inclusionary units is important to continue providing a path to homeownership for households who are most likely otherwise priced out of the local housing market.

Ms. Canova indicated in her March 2022 letter that the unit was leased to a military family on temporary assignment to the Monterey area. This assignment reportedly ends in May. To minimize disruption to the current tenants, staff recommends that it delay exercising the Option until at least mid-June. This delay will also allow prospective buyers to obtain a mortgage and get income qualified.

Moreover, Ms. Canova informed the County in April 2022 that the unit had been placed in a trust, and provided a copy of the trust executed on August 6, 2015 in Orange County, California by Ms. Moore. Ms. Moore did not provide a copy of her trust to the County for review and approval. Therefore, the County never issued written approval to Ms. Moore to place the unit in a trust.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed this matter to verify that the County's option to purchase the inclusionary unit has been triggered.

FINANCING:

There is no fiscal impact on the General Fund or on revenues. Should the Board of Supervisors elect to exercise

the County's Option to Purchase, the County will designate authority to purchase the inclusionary unit to a person from the County's Inclusionary Housing Waitlist.

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.

Economic Development

Administration

Health & Human Services

Infrastructure

Public Safety

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Reviewed by: Darby Marshall, Housing Program Manager, x5391

Approved by: Craig Spencer, Working out of Class as Director of Housing and Community Development

Attachments:

Attachment A - Inclusionary Housing Agreement

Attachment B - Letter from daughter dated 2.24.2022

Attachment C - Certified Letter from County to Ms. Canova dated 3.10.2022

Attachment D - Letter from daughter dated 3.23.2022

Attachment E - Letter from County to Ms. Canova dated 4.19.2022

Attachment F - Certified Letter from County to Ms. Canova dated 4.29.2022

Attachment G - 2022 Monitoring response packet

Attachment H - Draft Resolution_Moore (rib)-Final