



# County of Monterey

**Item No.**

## Board Report

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

**Legistar File Number: 25-016**

**January 28, 2025**

**Introduced:** 1/8/2025

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** General Agenda Item

- a. Approve and authorize Amendment No. 2 to the Steven M. Mudd and Caroline R. Jones-Mudd individual Inclusionary Housing Agreement to allow conveyance of their 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 the Inclusionary Housing Agreement.

It is recommended that the Board of Supervisors:

- a. Approve and authorize Amendment No. 2 to the Steven M. Mudd and Caroline R. Jones-Mudd individual Inclusionary Housing Agreement to allow conveyance of their 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 the Inclusionary Housing Agreement.

### SUMMARY:

Inclusionary Housing Program homeowners, Steven M. Mudd and Caroline R. Jones-Mudd, purchased their inclusionary unit in 2001 and executed a 30-year Inclusionary Housing Agreement (“Agreement”) with the County. The homeowners are now requesting approval to transfer title of their Inclusionary Housing Unit into a revocable living trust as part of their estate planning. They own the inclusionary unit in the Pasadera Subdivision, and their unit is designated as a moderate-income unit. Under the terms of the recorded Owners’ Agreement with the County, 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 without Board of Supervisors (“Board”) approval. The Board has previously approved requests by other inclusionary homeowners to transfer their inclusionary unit into a revocable living trust and the property owner is requesting Board approval of the transfer in this case.

### 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 Board. 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 Inclusionary Housing Ordinance.

OTHER AGENCY INVOLVEMENT:

The County Counsel Office has reviewed this report and approved the First Amendment to the Steven and Caroline Mudd Trust dated April 22, 2015 and the Quitclaim Deed correction with the required language. The County Counsel Office has approved the Amendment No. 2 to Inclusionary Housing Agreement as to form.

FINANCING:

There is no fiscal impact on the General Fund or on revenues. Staff time to prepare this report is included in the FY2024-25 Adopted Budget for Housing and Community Development Appropriation Unit HCD001, Unit 8542.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The County's Inclusionary Housing Program provides homeownership opportunities in the unincorporated areas of Monterey County to very low-, 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 W. Spencer, Director of Housing & Community Development, x5233

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

Attachment A - Mudd Inclusionary Housing Agreement.pdf

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