



County of Monterey

Item No.

Board Report

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

Legistar File Number: 25-237

April 22, 2025

Introduced: 4/7/2025

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Approve and authorize Amendment No. 2 to the Michael Mount and Brandi Mount 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.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize Amendment No. 2 to the Michael Mount and Brandi Mount 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, Michael Mount and Brandi Mount, purchased their inclusionary unit in 2003 and executed a 30-year Inclusionary Housing Agreement (“Agreement”) with the County. They indicated in their 2025 monitoring response that they had transferred their inclusionary unit into a Trust without the County’s approval. On February 10, 2025 our office sent the owners a letter informing them that their transfer was unauthorized by the County. That same letter notified the owners that any unauthorized transfer may be invalid, and may trigger the County to exercise its option to purchase the inclusionary unit from them.

Now, these inclusionary unit homeowners are 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 Avila Minor 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 current Inclusionary Housing Program does allow transfers of title by Owner into an inter vivos trust in which Owner is the beneficiary is allowed, provided, however, that Owner shall provide written notice of such transfer to the County. 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 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. As previously stated, Michael and Brandi Mount purchased their inclusionary unit in 2003.

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 M and B Mount 2024 Revocable Trust and the Grant Deed submitted by the homeowners 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.

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, Director of Housing & Community Development, x5233

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

Attachment A - Mount Inclusionary Housing Agreement.pdf

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