

June 15, 2010

Board of Commissioners
Housing Authority of the County of Marin
Marin Civic Center
3501 Civic Center Drive
San Rafael, CA 94903



4020 Civic Center Drive
San Rafael, CA 94903-4173

Executive Director
Dan Nackerman

**SUBJECT: BMR Home Ownership Program
Exercise of Option to Purchase/
AP #052-540-04, Marin City, California**

RECOMMENDATION: Authorize the Executive Director to exercise the Housing Authority's Option to purchase this Below Market Rate property located in Marin City for the current BMR value of \$170,352. utilizing interim funds provided by the County of Marin; authorize the Executive Director to execute the required documents and take the necessary steps to borrow the interim funds, obtain clear title to the property, to recover the cost of legal expenses and any necessary refurbishment of the property, and to resell the property through the Below Market Rate Home Ownership Program to an eligible, qualified first-time homebuyer.

SUMMARY: The current owner of this BMR property is delinquent on his HOA dues causing the HOA to issue the AUTHORIZATION TO SEND FILE TO TRUSTEE FOR NOTICE OF DEFAULT. The Resale Restriction Agreement and Option to Purchase recorded with this BMR property grants the Housing Authority the option to purchase the property upon the occurrence of certain "option" events, such as an encumbrance that resulted from non-payment of HOA dues. If the Housing Authority does not act within the prescribed time period to preserve its rights under the Resale Restriction Agreement, the BMR unit will be lost to the program and could be sold to the highest bidder at auction without any future restrictions on the property. The Housing Authority will prepare its exercise of option and acquire the property in order to retain it within the BMR program and preserve it as an affordable housing unit for first-time homeownership.

FISCAL IMPACT: The Housing Authority proposes to borrow the funds on a short-term basis, from the County of Marin, in order to acquire the property. The Housing Authority requests authority to borrow \$220,000 to cover the cost of acquisition. Additional costs of purchase, refurbishment, legal expenses, and out-of-pocket expenses not covered by resale will be paid by the County of Marin.

DANIEL C. NACKERMAN
Executive Director

Housing Authority of
the County of Marin

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BMR RESALE PRICE WORKSHEET

Date:	05/14/10
Owner:	Daron B. Austin
Address:	51 Terrace Drive, Marin City, CA 94965
Purchase Price:	\$119,865
Date of Purchase:	05/23/97
Years Owned:	12.97 years

*** METHOD #1: CALCULATION BASED ON INCREASE IN MEDIAN INCOME ***							
Present Median:	\$96,800		Effective Date:	03/19/09			
Original Median:	\$64,400		Effective Date:	12/27/96			
Rate of Increase:	4.11%	per annum					
Increase in Price:	\$119,865	x	4.11%	x	12.97	=	\$63,962
Method #1 Resale Price:	\$119,865	+	\$63,962			=	\$183,827

*** METHOD #2: CALCULATION BASED ON INCREASE IN CONSUMER PRICE INDEX ***							
Present CPI:	226.1		Effective Date:	Feb-10			
Original CPI:	159.8		Effective Date:	May-97			
Rate of Increase:	3.25%	per annum					
Increase in Price:	\$119,865	x	3.25%	x	12.97	=	\$50,487
Method #2 Resale Price:	\$119,865	+	\$50,487			=	\$170,352

BASED ON THE ABOVE, THE BASE RESALE PRICE AS OF THIS DATE, 05/14/10, IS:

\$170,352

By:

MEGHANA KAMDAR
Homeownership Program Specialist