

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 #052-460-14, Marin City, California**

RECOMMENDATION: Authorize the Executive Director to exercise the Housing Authority's option to purchase the Below Market Rate property located in Marin City for the current BMR value of \$165,257., utilizing interim funds provided by the County Redevelopment Agency; 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 now in violation of the Resale Restriction Agreement by virtue of the property being leased. The Resale Restriction Agreement and Option to Purchase recorded with each BMR property grants the Housing Authority the option to purchase the property upon the occurrence of certain "triggering" events, including conveying less than a fee simple estate or interest therein. If the Housing Authority does not act within the prescribed time period to preserve its rights under the Resale Restriction Agreement, the BMR unit would be lost to the program.

The Housing Authority will make every effort to assist the current owner to resolve the matter of the default right up to the option exercise deadline for this property. However, if these efforts are not successful, the Housing Authority must exercise its option and acquire the property in order to retain it in the BMR program and preserve it as an affordable housing unit for first-time home ownership.

FISCAL IMPACT: The Housing Authority proposes to borrow the funds on a short-term basis, from the County Redevelopment Agency, in order to acquire the property. 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:	05/13/10
Owner:	Diane Lucado
Address:	111 Headlunds Court, Marin City, CA. 94965
Purchase Price:	\$65,000
Date of Purchase:	07/23/81
Years Owned:	28.80 years

*** METHOD #1: CALCULATION BASED ON INCREASE IN MEDIAN INCOME ***							
Present Median:	\$96,800	Effective Date:	03/09/09				
Original Median:	\$30,500	Effective Date:	07/01/81				
Rate of Increase:	7.85% per annum						
Increase in Price:	\$65,000	x	7.85%	x	28.80	=	\$146,895
Method #1 Resale Price:	\$65,000	+	\$146,895			=	\$211,895

*** METHOD #2: CALCULATION BASED ON INCREASE IN CONSUMER PRICE INDEX ***							
Present CPI:	226.1	Effective Date:	Feb-10				
Original CPI:	89.1	Effective Date:	Jun-81				
Rate of Increase:	5.35% per annum						
Increase in Price:	\$65,000	x	5.35%	x	28.80	=	\$100,257
Method #2 Resale Price:	\$65,000	+	\$100,257			=	\$165,257

BASED ON THE ABOVE, THE BASE RESALE PRICE AS OF THIS DATE IS:	\$165,257
AND THE TOTAL BMR RESALE PRICE IS:	\$165,257

By:

Rich Stevick
Housing Enforcement Specialist

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