

**MOORPARK CITY COUNCIL
AGENDA REPORT**

To: Honorable City Council

From: David C. Moe II, Redevelopment Manager *Dcm*

Date: November 20, 2013 (CC Meeting of 12/4/13)

Subject: Consider Amending the City's First Time Home Buyer Program to Limit the Number of Persons Allowed to Purchase and Take Title of the Affordable Housing Unit

BACKGROUND

The City of Moorpark (City) has successfully assisted 57 low and very low income families purchase homes through the City's First Time Home Buyer (FTHB) program from January 2003 to April 2013. The majority of these homes, with the exception of four, were provided by residential developers to satisfy the affordable housing requirement of their development agreement with the City.

As a direct result of new home construction in the Moorpark Highlands and Canterbury Lane housing projects, 25 low income affordable units will become available through the City's FTHB program. The first of these units will be ready for occupancy starting in the spring of 2014 and continuing for the next few years. Staff has also met with TRI Pointe Homes and City Ventures to discuss the construction of an additional 17 and 12, respectively, affordable units as required by their approved development agreements.

DISCUSSION

During the process of identifying the first 57 buyers in the FTHB program, staff has encountered the occasional situation of a non-married or unrelated couple/household attempting to jointly purchase their first home through the FTHB program. Staff has processed the unrelated first time home buyers the same as any other buyers in the FTHB program, but has not encountered more than two unrelated or related people trying to purchase a home together. Staff understands that two or more unrelated people, or for that matter a married couple and one or more relatives may wish to jointly purchasing a home together, but staff does have a concern allowing more than two people to jointly purchase a home through the FTHB program.

Staff's concern focuses mainly on the interest in the title of the property, even if title is joint tenancy. For example, if four people purchased a home through the FTHB program, each person would have a 25% interest in the property. If someone on title moved out of the area for a new job, this would be a violation of the City's Affordable Housing Resale and Refinance Restriction Agreement, because the unit would no longer be the primary residence of the person who moved out of the unit. The person who moved out of the affordable unit must be removed from title of the property and from the City's FTHB program documents. The only way to accomplish this would be to sell the unit and have everyone split the proceeds or the other owners could purchase the 25% interest from the person who moved out (assuming the other owners have the financial resources to purchase the 25% interest in the property).

In order to avoid situations of multiple ownership interest in a single property, staff recommends the City Council establish a limit of two people jointly purchasing an affordable unit through the FTHB program. Staff believes this action will help to prevent the administrative burden of preparing new City documents each time a partial interest of the property is sold due to an owner moving out of the unit.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

1. Approve a limit of no more than two persons for joint purchase of a home through the City's First Time Home Buyers Program; and
2. Direct staff to amend City Council Policy No. 3.5 at the next update to reflect this limitation.