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— Tasha Tolbert,
prospective homebuyer

City-owned condos slow to move

MONTEREY PROGRAM CAN BE A LONG WAIT

By ALEX FRIEDRICH

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In an area where people clamor for an affordable place to live, unit No. 7 in the complex at 565 English Ave. is a bit of an irony.

The one-bedroom, 650-square-foot condominium — with a price of only \$96,000 — has been sitting vacant since last December.

There's nothing wrong with it. People are in line to snatch it up, especially since a similar Monterey condo on the open market costs around \$225,000.

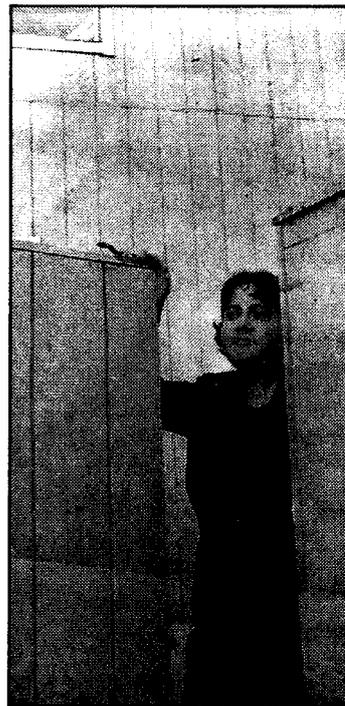
But like a number of units in the city of Monterey's affordable housing program, No. 7 is empty, sealed by red tape. This week it will have been on the market about 300 days — like 10 percent of the units in the program, according to city records.

Lower-priced Monterey condos normally take only weeks to be sold on the open market. But city officials say the process of choosing buyers for the affordable housing program is slow precisely because of the type of program it is, one intended to give underqualified buyers a shot to buy. Still, city officials admit the process sometimes takes too long.

"I'm not happy about it," said Bob Humel, the city's housing and property manager. "We'll try to shorten that time frame."

No. 7 is one of 57 units in Monterey's Purchase and Resale Program.

The city oversees a complex of one-bedroom condominiums on English Avenue, a complex of one- and two-bedroom units on Surf Way at Del Monte Beach, three-bedroom houses on Kolb Avenue, two-bedroom



COLE THOMPSON/Special to The Herald

Tasha Tolbert stands near the gate of an unoccupied condominium on English Avenue in Monterey. The unit has been sitting vacant since December.

and two-bedroom houses at 435 Dela Vina Ave.

Mayor Dan Albert has often touted the program as one of the centerpieces of the city's efforts to ease the housing crunch.

"We're really happy that we have a number of units that remain affordable," Albert said. "I think we should be commended for that."

But Albert said he was troubled to learn that units were unoccupied for so long.

"In this day and age, we should really do better."

By some measures, the long-time mayor does have reason to be proud of the program he helped start. More than 116

Housing

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individuals and families have used it to buy homes since the city started keeping records in 1991.

Prices stay low because the city doesn't allow the structures to become investment vehicles. The city bought each of the units and then sold them to Monterey residents or people working in the city. A single person can earn no more than \$45,200 a year. A family of five must make less than \$69,700 to participate.

When the homeowners decide to sell, the city gets first dibs so it can assure that each dwelling stays in the program.

The city pays the owner the original cost of the unit plus a little extra based on the increase in the consumer price index. The profit for owners selling their units historically has amounted to between 2 and 30 percent, depending on how long they held the title and what improvements they have made.

The program won't make residents rich. But it can make them owners with homeowner tax benefits.

"Best deal I've ever had," said one Surf Way resident.

Another, David Sonnenberg, said he and his wife "were fortunate" to get into their condominium. "This was the only place we could afford."

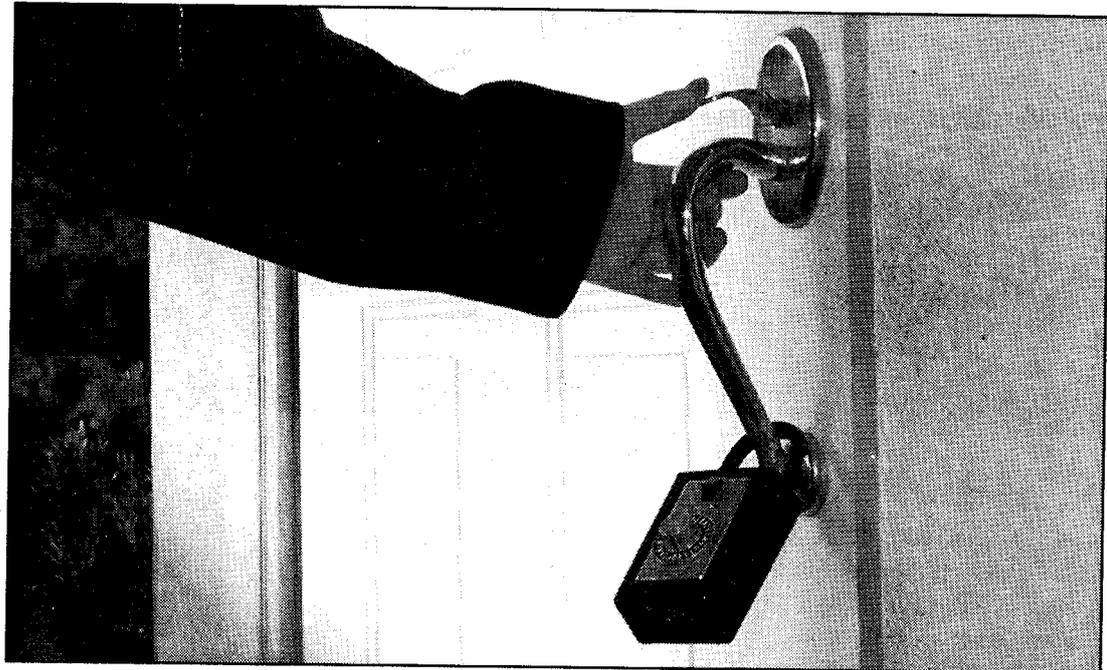
A long wait

A lot of people would like to say the same. As of Friday, about 65 applicants were waiting for a shot at a condominium or house.

At the moment, three small condominiums — including No. 7 — stand vacant. One English Avenue unit has been empty since late May and a Surf Way unit has been vacant since mid-September.

Tasha Tolbert has had her eye on No. 7 ever since she put in an application a year ago. But she is at a loss to say where she is on the waiting list or why units sit empty while people like her pay high rents elsewhere.

Her frustration began early this year when a city housing official showed No. 7 and another unit to Tolbert and another prospective buyer.



COLE THOMPSON/Special to The Herald

A lock on the door at an English Avenue condominium has been in place for nearly 10 months while the unit has been unoccupied.

Purchase and Resale Ownership Program

For more information:

► Phone: 646-3995

► On the Web: www.monterey.org/housing/purchaseresale.html

Since then, she said, she has received conflicting statements about where she stands.

"It's odd that I was getting shifted on the list," she said. "I just felt like I was in limbo."

City officials said Tolbert pestered them to set up a viewing and was told it was a courtesy, not a reflection of her standing on the list.

Still, being in limbo so long is frustrating for someone trying to make a major life decision, she said.

"People's lives are hanging on this."

Her situation may not be an anomaly. In one out of 10 cases, the city has taken at least 300 days to sell a unit. Seven have stood vacant for more than a year, and four have been empty for at least 485 days. Two were vacant for almost two and a half years.

The median period a unit stays empty — generally between the time the city buys a unit and then resells it — is 157 days, or about five months. That means half the units are vacant longer than that, and half of them less than that. The shortest vacancy was 47 days.

Humel and Albert said they didn't know the delays were that long.

In a phone conversation late last month, Humel said, "We've never had a vacancy for more than three months."

He added, however, he was giving an estimate, and had not studied all the records. Neither could he confer with the housing official who worked most closely with them, because she was away on vacation.

The long vacancies haven't gone unnoticed by tenants.

"Due to the fact there is a housing shortage, I'd think (city officials) would want to turn them over," said English Avenue resident Jennifer McClellan. "People ought to be able to get in right away."

It's not that simple, said Humel of the housing department.

Not just anybody can buy the units. Prospective buyers must be able to document their income and prove that they have lived or worked in Monterey for at least a year.

That made it hard for many Surf Way condos to find buyers in 1993, he said. The market

quickly became saturated when 30 units entered the market all at once.

Other potential Surf Way buyers stayed away when they learned about expensive assessments they'd have to pay, he said. Units in other projects have required major renovations or have been mired in legal disputes, he said.

Application process

Much of the problem seems to come from the complexity of the waiting list and the city's attempts to cut some financially challenged candidates some slack.

In simplified form, the list works like this:

Once candidates document that they're qualified, they state which complexes or units they want and are qualified to live in. They go onto a first-come, first-served waiting list.

When a unit opens, city officials arrange a viewing by calling the next three to four candidates on the list. Those who are still interested show up, and the candidate with the oldest application gets the first chance to buy.

If that candidate is still interested, the financing process starts. If the candidate turns it down, the option passes to the next qualified one.

It sounds easy, Humel said, but gathering a group of

candidates for a viewing is hard. Some may be out of town or have changed phone numbers. Some have little or no experience with the labyrinth of home finance and must be coached. Others have credit problems and require extra time to secure financing. Others may have inadvertently disqualified themselves by taking a higher-paying job, starting a family or moving out of the city.

The complications don't stop there.

"Here I see a (prison) sentence," Humel said as he looked through records. "Here is a custody battle."

It would be easy to pass such problem cases by or hold them to strict schedules, he said. But, he said, "We are here to help those who are not able to help themselves."

As a result, people go up and down various waiting lists for various projects. Humel said it would be difficult to track exactly where candidates are at any given time.

But for more than 10 months, No. 7 was vacant without any potential buyers going through the financing process.

"It was tough to getting people to commit to moving forward," he said. "But ... 10 months is too long."

Solutions

In light of cases such as Tolbert's, the housing division is taking a number of steps to make the process faster and easier to track, Humel said. Improvements should include:

- More understandable waiting lists. Lists will go onto electronic spreadsheets so they are less confusing and easier to manage.

- Better customer service. Work will be divided among several people, taking the load off the senior property agent. It should also provide a system of checks and balances to guard against potential abuse, Humel said.

- A more efficient, easier-to-track process. The department has developed a flow chart and checklist to make the process more systematic.

And, preventing confusing situations like Tolbert's, it will also put more notifications in writing.

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