



Placer Land Trust

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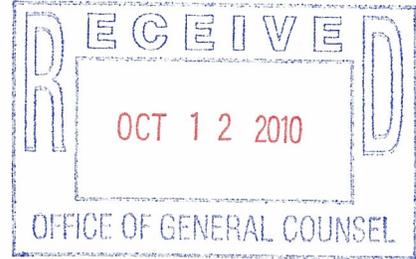
Executive Director

Jeff Darlington

Placer Land Trust works with willing landowners and conservation partners to permanently preserve natural and agricultural lands in Placer County for future generations.



Placer Land Trust is a private, nonprofit 501(c)(3) charitable organization incorporated in 1991, accredited by the national Land Trust Accreditation Commission. Federal Tax Identification Number: 68-0223143.



October 5, 2010

Alfred M. Pollard
General Counsel
Federal Housing Finance Agency
1700 G Street NW
Fourth Floor
Washington, DC 20552

Re: *Public Comments Guidance on Private Transfer Fee Covenants (No. 2010-M-11)*

Dear Mr. Pollard,

Placer Land Trust is a charitable nonprofit public benefit corporation with an office in Auburn, CA, and a mission to work with willing landowners to permanently preserve natural and agricultural lands in Placer County, California.

I am writing to express Placer Land Trust's opposition to the Federal Housing Finance Agency (FHFA) Guidance prohibiting the use of government backed financing of mortgages for homes where private transfer fees exist.

The FHFA Guidance does not differentiate between transfer fees that benefit private entities, and transfer fees that benefit the public. While some private entities have misused or abused the use of transfer fees, there are huge and long-lasting public benefits being financed by lawfully established and properly notices transfer fees.

For example, Placer Land Trust is involved in the implementation of a transfer fee program in Placer County that has enabled development and strengthened the community, and that continues to provide public benefit and protect the environment.

The West Roseville Specific Plan in Roseville, CA, was approved in 2004 and contains approximately 8,800 homes which in the future could be home to 22,000 residents. The plan area includes walkable neighborhoods with local shopping, employment, recreation and schools. The plan provides for a variety of housing for all income levels, including an affordable housing component.

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The West Roseville Specific Plan was approved in part through the settlement of litigation in 2004 that allowed the land to be annexed by the City of Roseville and then developed. A part of that important settlement, a transfer fee of 0.5% from every eligible resale goes to Placer Land Trust, specifically to fund land conservation in the region to protect important habitat, scenery, agriculture, and open space. The transfer fee is a joint obligation of the buyer and seller, and sunsets after 20 years on each lot.

This transfer fee is transparent and very well noticed. The existence and details of the transfer fee are recorded against all applicable properties and are included as an exception to title in all title reports issued to purchasers of homes within the West Roseville Specific Plan. Every potential buyer in the area has clear notice of the transfer fee. Placer Land Trust performs periodic outreach to title companies and realtors in the area to remind them of the transfer fee. An oversight committee consisting of the City of Roseville and the Sierra Club serve to ensure the intent and purpose of this fee is carried out appropriately by Placer Land Trust.

As a result of this conveyance fee, Placer Land Trust has been able to acquire 2,084 acres of land near the plan area, much of which is habitat for endangered or threatened species. This open space preservation is a significant benefit to the homeowners and the community (through enhanced home values and views) in addition to providing multiple benefits to the public at large (species preservation, scenery, clean air, clean water, and increased quality of life). It is hoped that Placer Land Trust can permanently protect several thousand additional acres over the life of the transfer fee agreement.

The first residents moved into the West Roseville community in 2006, but after the housing market decline and the recession, home construction and sales are only just now picking up again. Most of the current home building and sales activity is dependent on buyers obtaining some form of government-backed financing.

We believe that the FHFA guidance would pose a significant obstacle to the purchase and sale of homes within communities like West Roseville where such private transfer fees were lawfully established, properly noticed to buyers and lenders, and where such fees are paid to non-profit organizations for the direct benefit of the community. A retroactive policy would punish buyers of homes within these communities by cutting off important and sometimes the only, source of financing for home purchases and sales, further exacerbating an already devastated housing market. Prohibiting the use of government backed mortgages in any community with existing transfer fees could only have a further negative effect, and in fact would all but shut down home sales in West Roseville and cause irreparable damage to thousands of homeowners.

Placer Land Trust strongly urges the Federal Housing Finance Agency to reject any policy or guidance restricting lending within communities that contain transfer fees/taxes and that Fannie Mae, Freddie Mac and the Federal Home Loan Banks be allowed to continue to support loans within these communities.

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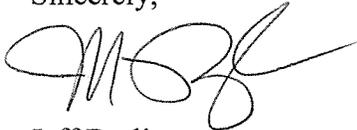
Placer Land Trust further urges the FHFA to reject the directives within the guidance and leave unchanged the policy of government backed mortgages within all communities that meet the established guidelines.

Absent a full rejection of the guidance we encourage the FHFA to exempt communities that use transfer fees for public benefit or similar beneficial use from any restrictions on government mortgages, and that communities that currently contain legally created, and properly notices transfer fees be exempt from any limitation on the use of government backed mortgages.

Thank you for your consideration of how this proposed guidance would affect the economy, environment, and quality of life of communities such as ours.

Please do not hesitate to call if you would like more information about how Placer Land Trust is implementing its public benefit land conservation program through the use of transfer fees.

Sincerely,

A handwritten signature in black ink, appearing to read 'JD', with a long horizontal flourish extending to the right.

Jeff Darlington
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