

*Please add to the written comments.
2nd Section contains questions and
concerns.*

Comments for CalTrans Affordable Housing Program
Proposal from United Cal Trans Tenants
Public Comment Hearings 4/20 & 4/21/15

Dear Cal Trans,

As a tenant in good standing for the past 20 years, I view myself as having been a good caretaker and steward for the property in which I have rented, despite the lack of interest in maintaining the property. Unfortunately, I am a tenant who falls just outside of the income limitations for the Affordable Sales Program, but I, like many other tenants, am not financially within the reach of purchasing the property at "fair market value" for the area of South Pasadena and I appeal to you and the Great State of California to help adjust the new sales regulations in order to make the sales of the properties to the current tenants a reality. Please consider making the following adjustments to the Sales Regulations as presented by United CalTrans Tenants:

1. Redefine the median income definition to use the median income of the local area instead of the county median income. For example, use the median income of South Pasadena for properties located in South Pasadena. The authority for this type of flexibility is listed in the Health and Safety Code section 50093 "the agency may use higher income limitations in designated geographic areas of the state, upon a determination that 120% of median income in the particular geographic area is too low to qualify a substantial number of persons and families of low or moderate income who can afford rental or purchase of housing."
2. Expand the income parameters for the Affordable Sales Program from 150% of median income to

200% of median income to qualify more tenants who are just outside of the income limitations but are not able because of lack of income or resources to purchase the property at "fair market value" and to limit the amount of tenants who will be forced by eviction to leave their homes. One of the pillars of the Roberti Bill is to preserve the fabric of the community and mass evictions of tenants will tear this fabric considerably.

3. Redefine the definition of gross income to adjusted net gross income to reflect the real useable income of the tenants as perspective homebuyers. This will help to include more tenants in the qualifying process for the Affordable Sales Program.
4. In all cases, adjust the order of priority for the purchase of the properties to be: 1. Original tenant, 2. All current tenants in good standing, 3. Former tenants in good standing, 4. Public housing entities, 5. Private non-profit housing entities, 6. General public.
5. Under section 1477 of the current CalTrans proposal, tenants should not be penalized for acquiring modest property equity and should be allowed to participate in the sale of the CalTrans properties of the 710 Corridor.
6. Add a provision that requires all empty lots be set aside for public use such as community gardens, pocket parks, infant playgrounds, basketball courts, workout spaces, etc.
7. Add a provision that requires that during the 710 Corridor Property Sales Process, the rents of the properties shall not be increased and rents shall be rolled back to before the 10% increases initiated due to the audit since the condition of the

properties are not up to the fair market value standard and should be considered in "as is" condition and should not warrant such rental increases.

8. Increase the amount for relocation costs to accommodate the true cost of moving as mass evictions occur. The current amount is not sufficient to handle relocation costs in today's inflated housing market and should be sufficient to handle all costs of moving including the cost of fees related to finding suitable housing, first month rent, last month rent, cleaning deposit, moving costs such as fees for moving vans, utilities deposits and fees, and time reimbursement for tenants time in looking for suitable replacement housing in the area and relocation efforts of the actual packing and moving.
9. To atone for the years of malpractice as a landlord publicly highlighted in the Audit, consider the idea of treating all of the rental agreements as rent with option to buy contracts and apply all of the rents paid toward the down payments on the properties. All of the properties and all of the tenants have been neglected for years. The only thing that has happened to rectify these issues is to raise the rent on a population of people who have already been exposed to hardship and abuse as tenants who have put up with the lack of and substandard repairs and maintenance of the properties. As an act of fairness, consider applying all rents paid toward down payment on the properties. Consider it not as a gift that is against the State Constitution, but as back payment by the Department of Transportation to the tenants for years of accepting rent for properties and ignoring

the plight of the tenants and contributing to the inhabitability of the property.

In addition to these adjustments, I have some questions and concerns about some of the items in the current proposal that are of great concern to me as a potential participant in this process, come what may. Please take some time to consider and create a response to the following list of questions and concerns:

1. For the tenants who do not qualify for the Affordable Sales Program, how will a trusted partner for the double escrow be found? Will this partner be a public housing entity or a private non-profit entity? Our group of tenants who fall outside of the income limits for affordable have been to speak with the City of South Pasadena, and although they agree that all of the tenants should be able to remain in their homes, they are not set up for this type of transaction and do not have the necessary resources or personnel to accommodate the process. Given this response, what are the other entities? What extra costs are involved in this process? Is it up to the tenant to find a suitable partner for this transaction? And if this is true, will there be a list of trusted partners developed that can facilitate this process instead of leaving the tenant open for problems in a business in which the tenant may not be knowledgeable?
2. Can the Great State of California through CalTrans or the Governor's Office or through some other entity set up a facilitator or board that can facilitate this specialized process affecting many of the tenants in this special circumstance?

This board or entity would then develop the list of trusted public housing partners to connect with the tenants and help to facilitate the double escrow process. It would serve as a resource to connect the tenants with financial programs that can broker appropriate loans that take into consideration the condition of the properties and the complications of the sales.

3. Can you give examples of where this double escrow model has worked? What were the results of this model, positive and negative? Has this current proposed model taken any past negative impacts or problems into consideration and provided any solutions so that the tenants who are perspective homebuyers will have a smooth transaction without undo extra costs or hardships?
4. What are the estimated offered prices of the homes and when will a list of these prices be available so that the tenants who fall into the category outside of the Affordable Sales Program can begin to find funding and resources or can make decisions that this is an impossibility to be able to afford to purchase the home in which they live?
5. Why is there not more information shared with the tenants and transparency provided about the process? We, the tenants, are in the dark when it comes to communication and how this process will really work for us. Is there really a timeline? When there is a delay, a letter of courtesy should be sent to the tenants explaining the delay or providing the current state of affairs updates.
6. In the current proposal, a connection to CalHFA has been made to help with financing. Can this same program be used to help the tenants who

are outside of the Affordable Sales Program and provide the assistance to help us purchase our homes in "as is" condition at a reasonable price where the monthly payment is approximately equal to the current rent payment and would accommodate PITI within the monthly payment. This would open the door to hope for many tenants where it is looking pretty financially dismal now.

7. Can CalHFA act as a trusted housing entity to partner with the tenants in the double escrow process. This would stop confusion and predatory practice by unknown entities entering into the arena if it is left up to the tenant to find a partner.
8. Is there a trusted transition assistance program available for all of the tenants to access in case the purchase of the property does not become reality? What options are available for the many tenants who will not be able to afford to purchase at current "fair market value" for their in "as is" condition homes. Private lenders and even public lending such as FHA or VA are usually finicky about the condition of the property before they enter into agreements. In the absence of agreeable lenders or other resources, what can be done for the tenants besides eviction with a small amount of money for relocation and a goodbye? Will there be an assistance/information board set up to help answer questions and direct tenants in a fair way to opportunities for assistance. It will be a big impact on families to uproot and reestablish a home. Many of us will not be able to remain in the city in which we have lived for many years. Many of us are older than 60 years and have lived in these communities for a long time. Surely,

something can be established to make this transition a caring experience rather than a heart breaking one full of hardships.

Sincerely,
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