



## CITY OF SOUTH PASADENA

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August 12, 2015

Andrew Nirenberg  
Acting Chief, Division of Right of Way and Land Surveys  
ATTN: Affordable Sales Program  
California Department of Transportation  
1120 N Street, MS 37  
Sacramento, CA 95814

RE: Affordable Sales Program: SR-710 Home Sales

Dear Mr. Nirenberg:

The City of South Pasadena (City) appreciates the opportunity to review and comment on the revised regulations for the Affordable Sales Program. We strongly support Caltrans's goal of maximizing transportation system performance and accessibility; and dedication to effective communication, collaboration, and partnership.

The City is excited for the release of surplus properties and the opportunity to upgrade and expand the supply of housing available within our jurisdiction. While the new proposed regulations address many of the issues that were raised during the initial public comment period, the City would like to request that Caltrans amend the new proposed rules and regulations of the Affordable Sales Program as follows:

- I. Properties identified for Phase 1A are single-family residences that Caltrans has determined are non-historic and would not result in any adverse community impact.
  - 1) The City requests that Caltrans provide a thorough analysis of the properties proposed for release in Phase 1A to ensure that there are no adverse impacts on historic properties.
  - 2) After reviewing the City's June 2014 Cultural Heritage Inventory (Inventory), it was determined that 3 of the 19 properties in Phase 1A were identified in the City's Inventory. The City requests that the following properties (and any subsequent properties identified to be historic) be moved from Phase 1A to Phase 1B:
    - i. 1707 Meridian Avenue
    - ii. 1101 Pine Street
    - iii. 852 Monterey Road

- 3) The City is currently updating its Historic Resources Survey and Inventory and requests that Caltrans update their records to reflect the changes identified in the City's updated inventory (available upon request).
- 4) The City requests that Caltrans work with the local historic preservation associations in the corridor to establish covenants that would ensure the preservation of these historic resources while providing flexibility to future owners.
- 5) The City requests that the remaining surplus properties of the 54 surplus properties identified for sale in July 1995 be included in the list of available surplus properties.
- 6) The City requests that the 110 properties identified as surplus in April 1995 be included to the list of available surplus properties.
- 7) The City requests that all vacant land parcels be identified and offered for sale
- 8) The City requests that Caltrans work with the Los Angeles County Office of the Assessor to re-establish parcel identification numbers for all of the surplus properties in the SR-710 corridor

II. The City would like to ensure that the rules and regulations of the Affordable Sales Program maximize flexibility for local residents; including former- and present-owners and occupants. The overriding premise should specify that no existing tenants, regardless of the length of tenancy, be forced to vacate their premises against their will if financially qualified to purchase a property. The City requests that Caltrans revise the order of priority of the Conditional Offer Prior to Sale to prioritize current and former tenants in good standing before housing-related entities; and prioritize public housing-related entities before private housing-related entities, as shown below:

<u>July 1, 2015, Revised Regulations</u>	<u>City Proposed Revisions</u>
1. All single-family residences presently occupied by their former owners shall be offered to those former owners at the Department approved appraised fair market value on condition they are tenants in good standing.	No changes.
2. All single-family residences shall be offered at an affordable price or Department approved appraised fair market value at each prospective buyer's option to the occupants, on condition occupants are: <ol style="list-style-type: none"> <li>(i) Tenants in good standing</li> <li>(ii) Have occupied the surplus residential property as their principal place of residences two years or more</li> <li>(iii) Are persons or families of low or moderate income</li> <li>(iv) Have not had an ownership interest in real property in the last three years</li> </ol>	2. All single-family residences shall be offered at an affordable price or Department approved appraised fair market value at each prospective buyer's option to the occupants, on condition occupants are: <ol style="list-style-type: none"> <li>(i) Tenants in good standing</li> <li>(ii) Have occupied the surplus residential property as their principal place of residences two years or more</li> <li>(iii) Are persons or families of low or moderate income</li> </ol> <p><b><i>(remove the language in paragraph (iv) regarding ownership interest in real property in the last three years)</i></b></p>

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3. All single-family residences shall be offered at an affordable price or Department approved appraised fair market value at each prospective buyer's option to the occupants, on condition occupants are:
- (i) Tenants in good standing
  - (ii) Have occupied the surplus residential property as their principal place of residence five years or more
  - (iii) Have household gross income that is above ~~low~~ or moderate income but does not exceed 150 percent of the area median income adjusted for family size
  - (iv) Have not had an ownership interest in real property in the last three years

3. All single-family residences shall be offered at an affordable price or Department approved appraised fair market value at each prospective buyer's option to the occupants, on condition occupants are:
- (i) Tenants in good standing
  - (ii) Have occupied the surplus residential property as their principal place of residence five years or more
  - (iii) Have household gross income that is above low or moderate income but does not exceed 150 percent of the area median income adjusted for family size

***(remove the language in paragraph (iv) regarding ownership interest in real property in the last three years)***

4. All other surplus residential properties and all properties described in paragraphs 1, 2, or 3 of this subparagraph (a) That are not purchased by the former owners or occupants, shall then be offered at a reasonable price to and in the following order of priority:
- (i) If it is feasible, then the surplus residential property shall be offered to prospective housing-related private and public entities on condition that the purchasing entity cause the surplus property to be rehabilitated and developed as a limited equity cooperative housing cooperative or cooperatives, with first right of occupancy to current tenants
  - (ii) If it is not feasible to sell the surplus residential property to prospective housing-related private or public entities on condition that the purchasing entity cause the

5. All other surplus residential properties and all properties described in paragraphs 1 to 4 of this subparagraph that are not purchased by the former owners or occupants, shall then be offered at a reasonable price to prospective housing-related public entities on condition that the purchasing entity cause the surplus property to be rehabilitated and developed as a limited equity cooperative housing cooperative or cooperatives, with first right of occupancy and potential ownership to the current tenants
- a. If it is not feasible to sell the surplus residential property to prospective housing-related public entities with the above condition, the surplus residential property shall then be offered to a housing-related private entity on condition that the purchasing entity cause the surplus property to be rehabilitated and developed as a limited equity cooperative housing cooperative

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(iii) surplus residential property to be rehabilitated and developed as a limited equity cooperative housing cooperative or cooperatives, then the surplus residential property shall be offered to a housing-related public entity as designated by the legislative body of the city in which the surplus residential property is located  
To any housing-related private or public entity on condition the purchasing entity shall cause the surplus residential property to be used for low and moderate income rental or owner-occupied housing

or cooperatives, with first right of occupancy and potential ownership to current tenants  
b. If it is not feasible to sell the surplus residential property to be rehabilitated and developed as a limited equity cooperative housing cooperative or cooperatives, then the surplus residential property shall be offered to a housing-related public entity as designated by the legislative body of the city in which the surplus residential property is located  
(i) To a housing-related public entity on condition the purchasing entity shall cause the surplus residential property to be used for low and moderate income rental or owner-occupied housing  
(ii) To a housing-related private entity on condition the purchasing entity shall cause the surplus residential property to be used for low and moderate income rental or owner-occupied housing

***(reorder the priority order of the Conditional Offer Prior to Sale to prioritize public housing related entities above private housing related entities)***

5. Any surplus residential properties not sold pursuant to subparagraphs 1 to 4 inclusive, shall then be sold at fair market value to and in the following order of priority:  
(i) To current tenants in good standing who intend to be owner occupants  
(ii) To former tenants in good standing who intend to be owner occupants, with priority given to the most recent tenants first  
(iii) With preference given to the

4. \*Any surplus residential properties not sold pursuant to subparagraphs 1 to 3 inclusive, shall then be sold at fair market value to and in the following order of priority:  
a. To current tenants in good standing who intend to be owner occupants  
b. To former tenants, that were in good standing at the time they vacated the premises, who intend to be owner occupants, with priority given to the most recent tenants first

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highest responsive bidder who will be an owner occupant	<b><i>(reorder the priority order of the Conditional Offer Prior to Sale to prioritize public housing related entities above private housing related entities)</i></b>

- III. The City would also like to request clarification on the Frequently Asked Questions on SR-710 Housing Sales
  - 1) The City requests that Caltrans provide clarification regarding the reasoning for having the “same or two different prices” as identified in question 7 “What is double escrow sale?”
- IV. The proposed regulations are specific to residential properties; the City would like clarification regarding the release of Caltrans surplus unimproved properties to local jurisdictions.
  - 1) The City requests that Caltrans establish a reasonable price for the sale of unimproved properties to local jurisdictions, and for that reasonable price to be adjusted to reflect the property taxes lost while under Caltrans ownership.
  - 2) The City requests that the release of unimproved properties be released subject to local land use regulations.
- V. The City would also like to bring to Caltrans attention that the following stakeholders were not taken into consideration in the proposed regulations: tenancies in common, co-operative ownership, and residents of duplexes, triplexes, and other multi-unit properties.
  - 1) The City requests that Caltrans provide clarification regarding the sale of duplexes, triplexes, and other multi-unit properties.

The City requests that Caltrans provide responses to each of the questions and comments identified above. We sincerely appreciate this opportunity to provide feedback on the Affordable Sales Program and look forward to working with Caltrans to preserve, upgrade, and expand the supply of housing within the City of South Pasadena.

If you have any questions or comments please feel free to contact Margaret Lin, Principal Management Analyst, at [MLin@southpasadenaca.gov](mailto:MLin@southpasadenaca.gov) or (626)403-7236.

Sincerely,



Sergio Gonzalez  
City Manager

cc: South Pasadena City Council

