

## **MEMORANDUM**

**To:** CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

**CTC Meeting:** August 16-17, 2023

**From:** STEVEN KECK, Chief Financial Officer

**Reference Number:** 4.31, Information Item

**Prepared By:** Kimberly Ellis Erickson, Chief  
Division of Right of Way and Land Surveys

**Subject:** **UPDATE ON THE LOCAL ALTERNATIVE TRANSPORTATION IMPROVEMENT PROGRAM – STATE ROUTE 710 SALE OF EXCESS PROPERTIES AND REVENUE DISPOSITION**

### **SUMMARY:**

The California Department of Transportation (Department) is providing this update on the State Route (SR) 710 sales of excess properties and revenue disposition as an informational item to the California Transportation Commission (Commission) at its August 2023 meeting.

### **BACKGROUND:**

The Roberti Act was enacted in 1979 to preserve, maintain, and expand the supply of affordable housing to low-and moderate-income households, and sets forth priorities and procedures for disposal of state owned, surplus properties. The Department developed the SR 710 Sales Program and adopted regulations to allow the Department to dispose of 460 surplus properties acquired for the SR 710 extension project. The Department began selling properties under Phase 1 sales in 2016. The Commission must approve the sale of SR 710 surplus properties, and to date the Commission has approved 10 property sales.

Since the last update provided to the Commission in August 2022, no further sales of the SR 710 surplus properties have occurred. Legislation passed in 2022 required the Department to adopt additional emergency regulations to implement Senate Bill (SB) 959 (Portantino, 2022) by June 30, 2023. Those regulations, which provide the sales process and priorities for surplus properties in Pasadena, were approved by the Office of Administrative Law and became effective July 3, 2023. The Department previously adopted emergency regulations in 2021 and 2022 to implement SB 51 (Durazo, 2021) and SB 381 (Portantino, 2021), providing the sales process and priorities for properties in Los Angeles and South Pasadena respectively. During the past fiscal year, the Department has offered surplus properties for

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sale including over 150 properties to existing tenants, 37 properties in El Sereno to Housing Related Entities, 19 properties to the City of South Pasadena, and 17 properties to the City of Pasadena. No surplus properties are currently in escrow, but the Department anticipates some sales to close in early 2024.

The Roberti Act requires sales proceeds from SR 710 sales, net of repair costs for properties sold at affordable prices, to be used for the benefit of low- and moderate-income housing and transportation projects located in Pasadena, South Pasadena, Alhambra, LaCanada Flintridge, and within the Los Angeles zip code of 90032. In consultation with the Los Angeles County Metropolitan Transportation Authority, guidelines for the SR 710 Local Alternative Transportation Improvement Program (LATIP) were developed for project approval and fund distribution. As of June 30, 2023, SR 710 sales are accounted for as follows:

• Total revenue transferred for the SR 710 LATIP	\$ 1.5 million
• Total revenue spent for property repair	\$ 0.4 million
• Total revenue reserved in the SR 710 Rehab account	<u>\$ 0.5 million</u>
Total Sales Revenue	\$ 2.4 million

Funds maintained in the SR 710 Rehab Account are capped at \$1,200,000; any funds exceeding \$1,200,000 are transferred to the State Highway Account for allocation by the Commission as noted above. Revenue projections for the SR 710 Sales Program cannot be ascertained at this time. However, revenues will be significantly lower than originally anticipated due to legislation setting the minimum sales price of the properties at the original acquisition prices. The Department administered Phase 1 property sales by setting the minimum sales price at the original acquisition price adjusted for inflation.

For further information, the statutory and regulatory requirements can be accessed through the below links:

**Roberti Act:**

[Codes Display Text \(ca.gov\)](#)

**SR 710 Sales Program Regulations contained in Title 21, Division 2, Chapter 9.5:**

[Browse - California Code of Regulations \(westlaw.com\)](#)

**Attachment**

Exhibit 1: Pie Chart – Disposition of SR 710 Property Sales

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Disposition of State Route 710 Property Sales  
(\$ in millions)

SR 710 LATIP	\$ 1.5
Property Repairs	\$ 0.4
SR 710 Rehabilitation Account Reserve	\$ 0.5

**Disposition of State Route (SR) 710  
Property Sales**  
\$2.4 Million

