MEMORANDUM

To: CHAIR AND COMMISSIONERS CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 21-22, 2024

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.4d.(3), Action Item

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

Subject: <u>CONVEYANCE OF EXCESS STATE-OWNED REAL PROPERTY – ROBERTI ACT</u> <u>FAIR MARKET VALUE SALE TO TENANT</u>

ISSUE:

Should the California Transportation Commission (Commission) approve execution of the following Director's Deed?

RECOMMENDATION:

The California Department of Transportation (Department) recommends the Commission authorize execution of the Director's Deed summarized below. The conveyance of excess State-owned real property is pursuant to Section 118 of the Streets and Highways Code and specific to this Director's Deed, the Roberti Act (Government Code § 54235 et seq.) and the State Route (SR) 710 Sales Program regulations (21 CCR 1475 et seq.).

The Roberti Act requires the Department to dispose of State Route (SR) 710 Surplus Residential Properties (Properties), originally acquired for the SR 710 extension project and located in Pasadena, South Pasadena, and the El Sereno Community of Los Angeles, in a manner that preserves, maintains, and expands the supply of housing to persons and families of low to moderate income and sets forth the priorities and procedures for such disposals. Properties are being sold pursuant to the Roberti Act and are not subject to Executive Orders N-06-19 or N-23-20.

"Provide a safe and reliable transportation network that serves all people and respects the environment."

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The Director's Deed included in this item in the amount of \$820,000 will be deposited in the SR 710 Rehabilitation Account in accordance with Government Code (Gov. Code) § 54237.7 to fund lender required repairs for Properties being sold at affordable prices to persons and families of low or moderate income. Funds in the SR 710 Rehabilitation Account exceeding \$1,200,000 are transferred to the State Highway Account for allocation by the Commission to exclusively fund projects located in Pasadena, South Pasadena, Alhambra, La Cañada Flintridge, and the 90032 postal zip code.

BACKGROUND:

The Department began issuing Notices of Solicitation in the summer of 2022 to current tenants in the SR 710 corridor to solicit interest in purchasing the SR 710 residential properties they rent. This Notice begins the sales process and provides tenants 30 calendar days to respond to the Notice expressing interest in purchasing. As of October 2023, all tenants in the SR 710 corridor have received Notices of Solicitation.

Upon receipt of a tenant's response to the Notice of Solicitation, the Department sends the tenant a written request for documentation, including income documentation, that is necessary to determine eligibility to participate in the SR 710 Sales Program and to purchase at an affordable price. Tenants not eligible to purchase at an affordable price are offered the property at the appraised fair market value pursuant to the Roberti Act which reserves priority to purchase to current tenants regardless of income. The Director's Deed included in this item involves a fair market value sale to the current tenant.

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DIRECTOR'S DEED:

<u>01</u>-07-LA-710 PM 30.2 Disposal Unit #DD 68327-01-01 Fair Market Appraisal: \$820,000 Convey to: Raggio Revocable Trust City of South Pasadena 6,232 square feet (s.f.) Single Family Residence (SFR) 1,080 s.f. SFR Sales Price: \$820,000

Direct sale. Disposal unit is a SFR being sold pursuant to the Roberti Act and the SR 710 Sales Program regulations. The current tenant meets the criteria required for purchasing as a fair market value buyer including being a tenant in good standing with the terms and conditions of their rental agreement and meeting the five-year occupancy requirement. The sales price represents the fair market value of the property.

Attachments: Exhibit 1A – 1B - Parcel maps



