Tab 17

# State Route 710 Sales Program

Division of Right of Way and
Land Surveys

# SR 710 Closure Gap Project


Caltrans acquired 460 properties for the proposed project to connect the 10 and 210 freeways.

Properties were acquired in:

- Pasadena
- South Pasadena
- Los Angeles (El Sereno)

Caltrans is administering the SR 710 Sales Program in accordance with law.

## The State Route 710 Sales Program regulations do not violate the Roberti Act.

- The Office of Administrative Law reviewed the SR 710 Sales Program regulations and found the regulations ***to be clear, necessary, legally valid, and compliant with the standards set forth in California's Administrative Procedure Act***.

# Roberti Act Government Code §§ 54235-54239.6

- Intent of Roberti Act is to expand the supply of housing available to persons and families of low or moderate income (§ 54235)
- Opportunity to purchase if eligibility criteria is met; homeownership is not a guarantee (§ 54236)
- Properties are offered in a specific order of priority.
- Relocation benefits provided to tenants if forced to relocate as a direct result of the disposal of a property (§ 54238.3(b))

# Roberti Act

## Government Code §§ 54235-54239.6

- Section 54237.7(a) established the SR 710 Rehabilitation Account; capped at $1,200,000. Funds exceeding the cap are transferred to the SR 710 LATIP for allocation by CTC to fund transportation projects in the SR 710 communities.
- Section 54239.1 sets the sales priorities for properties in the El Sereno Community of Los Angeles
- Section 54239.5 sets the sales priorities for properties in Pasadena
- Section 54249.6 sets the sales priorities for properties in South Pasadena

**State Route 710 Sales Program**
**Surplus Residential Properties**
**Order of Priority**
**(Side-by-Side Comparison)**

| SB 51<br>Los Angeles (El Sereno) | SB 959<br>Pasadena | AB 1038<br>South Pasadena |
|---|---|---|
| Current Occupant<br>(who is Former Owner) | Current Occupant<br>(who is Former Owner) | Current Occupant<br>(who is Former Owner) |
| Single Family Occupant of 2+ years<br>up to 120% of Area Median Income | Single Family Occupant of 2+ years<br>up to 120% of Area Median Income | Single Family Occupant of 2+ years<br>up to 120% of Area Median Income |
| Single Family Occupant of 5+ years<br>up to 150% of Area Median Income | Single Family Occupant of 5+ years<br>up to 150% of Area Median Income | Single Family Occupant of 5+ years<br>up to 150% of Area Median Income |
| Surplus Residential Property to<br>Present Tenant<br>in Good Standing of 5+ Years | Surplus Residential Property to<br>Present Tenant<br>in Good Standing of 5+ Years | Surplus Residential Property to<br>Present Tenant<br>in Good Standing of 5+ Years |
| Historic Home to City of Los Angeles<br>or Nonprofit | Unoccupied Properties to<br>City of Pasadena | Unoccupied Properties to<br>City of South Pasadena |
| Housing Related Entities<br>(Private and Public) | City of Pasadena,<br>then private HRE | City of South Pasadena,<br>then private HRE |
| Present Tenant in Good Standing,<br>no required occupancy term | Present Tenant in Good Standing,<br>no required occupancy term | Present Tenant in Good Standing,<br>no required occupancy term |
| Former Tenant in Good Standing | Former Tenant in Good Standing | Former Tenant in Good Standing |
| Public Auction<br>(Streets and Highways Code § 118) | Public Auction<br>(Streets and Highways Code § 118) | Public Auction<br>(Streets and Highways Code § 118) |

Fair Market Value (as-is)

Affordable Price (Lender required repairs to be completed by Caltrans)

Reasonable Price (as-is)

Original Acquisition Price (as-is)

# Surplus Residential Property

Common Misconception

## NO BOTTOM LIMIT TO AFFORDABILITY

## FALSE

The interpretation that the Roberti Act doesn't require a minimum income limit is incorrect. Government Code § 54236(b) states a "purchaser's monthly payments will not exceed a portion of the purchasing household's adjusted income…" which is implemented in 21 CCR § 1481.2(c)(4) as follows:

Affordable housing cost shall not exceed:

- 25% of gross household income for lower income households;
- 30% of gross household income for moderate or above moderate-income households

While the Roberti Act doesn't specifically identify a minimum income, it is implied by the limitation imposed on housing expenses. The household income must be sufficient to ensure housing expenses do not exceed 25% or 30% of household income.

# Tenant Eligible – Affordable Price
## Household Income: $58,263.00

| | |
|---|---:|
| 25% of Household Income | $1,213.81 |
| Property Taxes | -21.38 |
| Insurance | -243.81 |
| Maintenance | -105.33 |
| Utilities | -278.00 |
| Remaining Funds Available for Mortgage | 565.29 |
| **Affordable Sales Price** | **$87,155.00** |
| Minimum Sales Price | $37,500.00 |

# Tenant Eligible – Affordable Price, bridge the gap

# Household Income: $34,720.00

| | |
|---|---|
| 25% of Household Income | $723.33 |
| Property Taxes | -33.96 |
| Insurance | -120.50 |
| Maintenance | -148.67 |
| Utilities | -327.00 |
| Remaining Funds Available for Mortgage | 93.20 |
| Affordable Sales Price | $15,137.63 |
| **Minimum Sales Price** | **$32,600.00** |
| Cash Required | $17,462.37 |

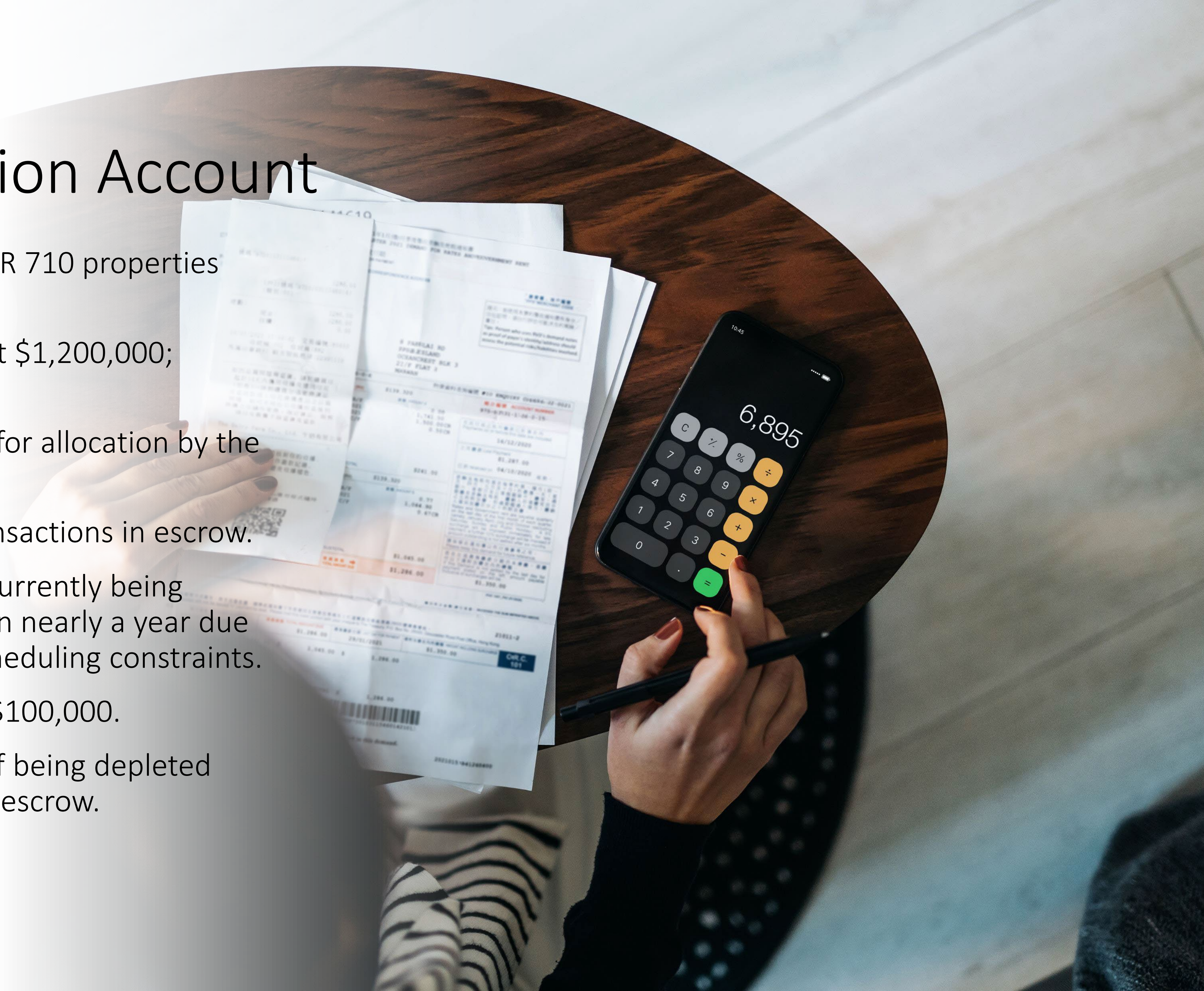
# Tenant Ineligible – Affordable Price

## Household Income: $19,344.00

| | |
|---|---|
| 25% of Household Income | $ 403.00 |
| Property Taxes | -18.44 |
| Insurance | -211.02 |
| Maintenance | -91.17 |
| Utilities | -278.00 |
| Remaining Funds Available for Mortgage | -$195.63 |
| **Affordable Sales Price** | **Housing Costs Exceed 25% - Resulting in Negative Calculation Tenant Ineligible** |

# Challenge –
# SR 710 Rehabilitation Account

- Rehab Account funds repairs for SR 710 properties being sold at affordable prices.
- Roberti Act caps Rehab Account at $1,200,000; account is swept quarterly.
- Over $3,300,000 has been swept for allocation by the Commission (SR 710 LATIP).
- Approximately 100 affordable transactions in escrow.
- Of the 100 properties, three are currently being repaired—a process that has taken nearly a year due to contracting procedures and scheduling constraints.
- Average property repairs exceed $100,000.
- Rehab Account funds are at risk of being depleted prior to repairing all properties in escrow.



# OCCUPIED PROPERTIES

SOLD PROPERTIES FY 24/25

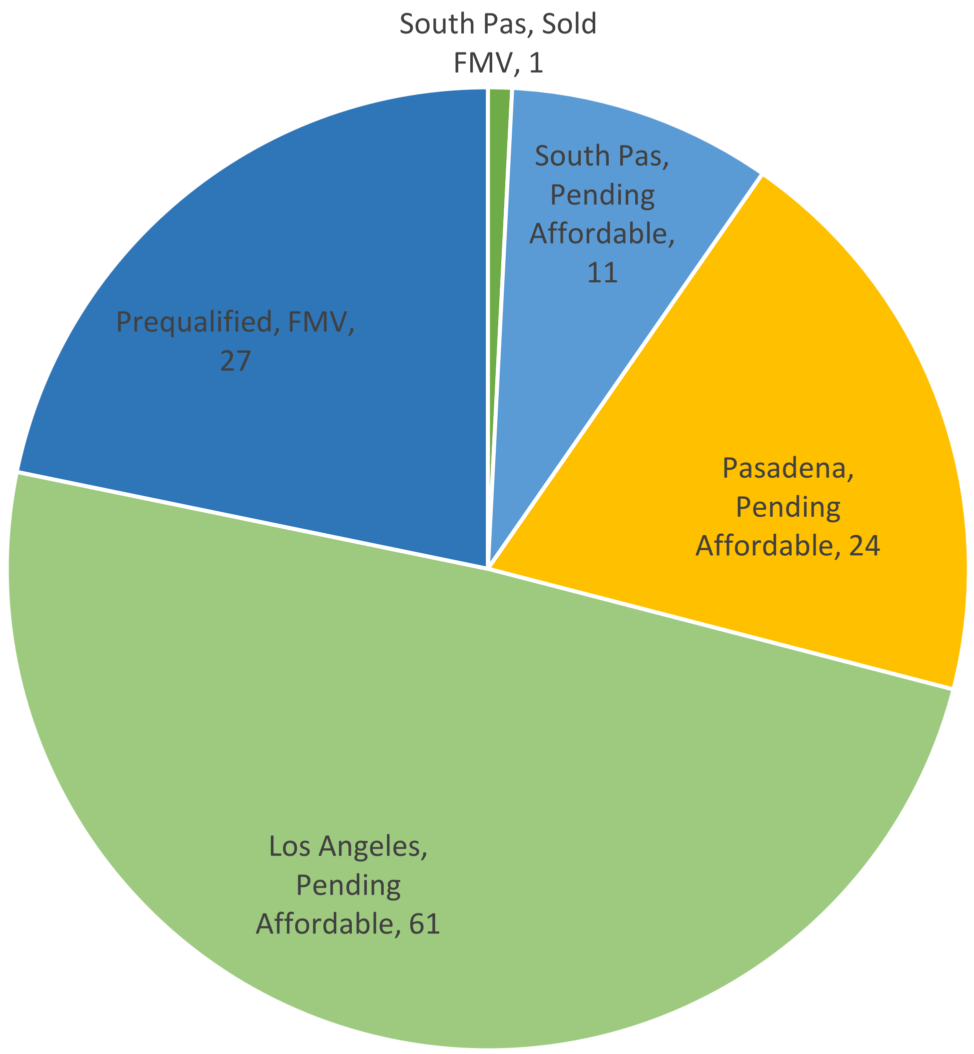
- 1, Fair Market Value

PENDING SALES FY 25/26

- 96, Affordable Sales

PREQUALIFIED

- 27, Fair Market Value



# HOUSING RELATED ENTITIES

SOLD PROPERTIES FY 24/25

- 51

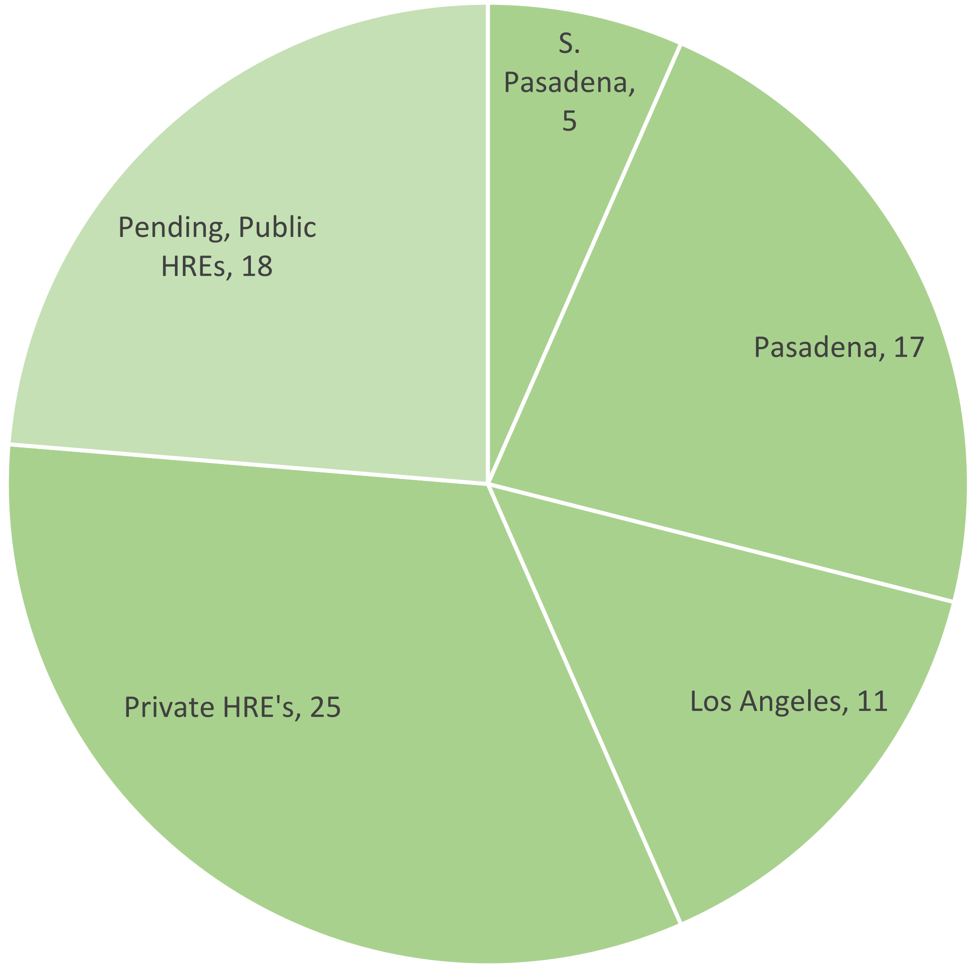
Sold Properties FY 25/26

- 7

**TOTAL SALES 58**

PENDING SALES FY 25/26

- 18



SAN GABRIEL VALLEY

# HABITAT FOR HUMANITY

# Thank You

# QUESTIONS?