

Frequently Asked Questions (FAQs)

State Route 710 Sales Program Regulations

The Department of Transportation (Caltrans) filed proposed emergency regulations with the Office of Administrative Law (OAL) to implement Senate Bill (SB) 381 (Portantino, 2021), which is specific to properties located in the City of South Pasadena. Regulations were approved in spring 2022. These FAQs address some of the more common questions regarding the State Route (SR) 710 Sales Program and the emergency regulatory process.

Q1: When will sales begin in South Pasadena?

Caltrans began the sales process earlier this year, offering unoccupied properties to the City of South Pasadena shortly after adoption of the SB 381 emergency regulations. Occupied property sales also began in late summer and will continue in phases through 2023 (see Q6).

Q2: When will Caltrans file the SB 381 emergency regulations with the Office of Administrative Law (OAL)?

Regulations were approved by the Office of Administrative Law (OAL) on April 7, 2022.

Q3: Is Caltrans planning to offer unoccupied properties first, similar to the strategy with SB 51 properties?

Yes. Caltrans has offered unoccupied properties first to the City of South Pasadena in order to expand the availability of affordable housing along the SR 710 corridor and to meet the requirements of SB 381, which required Caltrans to commence sales of unoccupied properties prior to June 30, 2022.

Q4: When can occupants of single-family properties in South Pasadena expect to receive a Notice of Solicitation?

Occupants of single-family properties who have 25+ years of tenancy have begun to receive Notices of Solicitation. Notices will continue to be sent in phases through 2023.

Q5: Will all occupants and tenants receive a Notice of Solicitation at the same time?

No. Due to the number of properties in the SR 710 corridor it is not feasible to release all properties simultaneously. Caltrans is offering properties first to those occupants and tenants with tenancies exceeding 25 years. Each release will contain approximately 20 properties spread throughout the corridor with properties being released every three to four weeks. Properties with less than 25 years' tenancy will likely receive notices beginning in mid-2023.

Q6: How does SB 381 impact my priority status for purchasing my rental property?

SB 381 provides occupants and tenants residing in South Pasadena the first opportunity to purchase the property they rent regardless of income and prior to the property being offered to Housing Related Entities (HRE). Occupants meeting income and occupancy criteria specified in the regulations will be eligible to purchase at an Affordable Price. And tenants who have occupied a home for 5 years or more will be eligible to purchase at fair market value. Properties not purchased by occupants or tenants will then be offered to the City of South Pasadena and then to other HREs. If a property is not purchased by

an HRE, the current tenant (regardless of occupancy term) will have another opportunity to purchase the property prior to the property going to auction.

Q7: How do I obtain financing, and will I be required to make a down payment?

Typically, homes are financed through banks or mortgage companies. Obtaining a loan requires verification of your income and an evaluation of your expenses to determine your ability to make the monthly mortgage payment. Your credit score and credit history are also factors. For low- and moderate-income borrowers, once your eligibility to participate in the SR 710 Sales Program is determined, you will receive further information regarding available loan products that may be available through the California Housing Finance Agency. While you may pursue your own financing, the California Housing Finance Agency is familiar with the SR 710 Sales Program and can answer questions regarding financing. More information from the California Housing Finance Agency will be forthcoming soon.

Q8: If Caltrans determines that a tenant is eligible to receive a sales contract does that mean the tenant is qualified for a loan to purchase the home?

No. Eligibility to participate in the SR 710 Sales Program is separate from a tenant's ability to qualify for financing.

Q9: Does my credit score matter?

Yes. There are many loan products on the market and each product may require a minimum credit score. A knowledgeable loan officer can assess your financial situation and tell you what credit score you need to qualify for their specific loan products.

Q10: What happens to occupants and tenants in South Pasadena who are ineligible to buy at an affordable price, and cannot afford purchasing at fair market value?

Occupants and tenants who do not purchase will have first right of occupancy to continue renting the property if the property is sold to the City of South Pasadena or a housing-related entity. If the buyer is a former tenant, or if the property is sold at public auction, an occupant or tenant may be required to move. Caltrans will provide advance notice and relocation assistance to eligible, displaced tenants.

Q11: Who has priority to purchase unoccupied properties in South Pasadena?

Unoccupied properties in South Pasadena—whether designated historic or not—will first be offered to the City of South Pasadena. If not purchased by the City, the properties will next be offered to other housing related entities, followed by former tenants. Any remaining properties will then be sold at auction pursuant to Streets and Highways Code §118.

Q12: Where can I get more information?

For additional FAQs and more information please visit the SR 710 Sales Program website at <https://dot.ca.gov/710homes>, or call the SR 710 hotline at (213) 897-8184.