

City of South Pasadena
**SB 381 FREQUENTLY ASKED QUESTIONS
AND CONTACT INFORMATION**

Q1. Will the community be given an opportunity to provide input on the implementation of SB 381?

- a. SB 381 was signed into law in September 2021. Emergency regulations were approved by the Office of Administrative Law (OAL) on April 7, 2022 and became effective immediately.
- b. The City of South Pasadena has held seven public meetings since the passage of SB 381 to update and discuss the implementation.

Q2. I am a current tenant and am interested in purchasing my home, who should I contact?

Current tenants may contact Caltrans at SR710@dot.ca.gov or call the SR 710 Property Sales Hotline at (213) 897-8184. Please include first name, last name, address, and your phone number.

Q3. I am a tenant in a Caltrans-owned property that may be sold to the City. How will this transaction change my status and situation?

- a. SB 381 requires Caltrans to offer existing qualified tenants of single-family homes the opportunity to purchase the property on which they reside prior to selling it to the City.
- b. The law allows the City to purchase multi-family properties, either occupied or vacant. The law requires that an affordability covenant be placed on these properties but gives the City the flexibility to determine the eventual ownership of those properties.
- c. The City has not reviewed any existing rental or lease agreements between the tenants and Caltrans. A new agreement will need to be executed between the new ownership entity and the tenant. Rents may be adjusted to whatever the current affordable or fair market rent is depending upon household income.
- d. Tenants of single-family homes who decide not to purchase the property and the property is purchased by the City will be allowed to remain in the properties. No tenant in a City purchased property who is in compliance with their lease will be displaced because of this transaction.
- e. Any property that has an affordability covenant placed on it due to this transaction will have rents assigned that adhere to State Health and Safety Codes that are updated annually on the California Department of Housing and Community Development website.
- f. The City will be evaluating and inspecting each property to determine what repairs and improvements can and should be completed.

Q4. How does SB 381 change current tenants' existing priority to purchase the property where they live under the Roberti bill?

- a. SB 381 has moved current tenants who have lived on the property for 5 or more years and are in good standing ahead of the City or any Housing Related Entity (HRE) in the purchase order, regardless of their income level. Now, ALL current occupants and tenants will be offered to purchase the property where they live before the property is offered to the City or an HRE.
- b. A chart showing the updated purchase order is below.

Comparison of Previous Regulations and SB 381 Order of Priority – Surplus Residential Properties	
Previous Regulations	New Law – SB 381
Current occupant who is the Former Owner	Current occupant who is the Former Owner
Single Family Occupant of 2+ years up to 120% of Area Median Income	Single Family Occupant of 2+ years up to 120% of Area Median Income
Single Family Occupant of 5+ years up to 150% of Area Median Income	Single Family Occupant of 5+ years up to 150% of Area Median Income
Limited Equity Coop	Housing Related Entity
Designated Public HRE	
Public or Private HRE	
Present Tenant in Good Standing (no required occupancy term)	Present Tenant in Good Standing of 5+ years
Former Tenant	Unoccupied Historic Home – City of South Pasadena
	Public or Private Housing Related Entity (HRE)
	Present Tenant in Good Standing (no required occupancy term)
	Former Tenant in Good Standing

Q5. When can tenants expect sales to begin?

Caltrans has already contacted current tenants as of September 2022 asking if they would be interested in purchasing their current residence. Due to the number of properties in the SR 710 corridor it is not feasible to release all properties simultaneously. Caltrans is releasing properties first to those occupants and tenants with tenancies exceeding 25 years. Each release contains approximately 20 properties spread throughout the corridor with properties being released every two to four weeks. Properties with less than 25 years’ tenancy will likely receive notices 9 to 12 months later.

Q6. How is the City involved in the sale of occupied homes to existing tenants?

- a. The City is not involved in the sale of occupied homes to existing tenants. Caltrans is handling these sales with the help of a real estate agency without the City’s involvement.
- b. If current tenants decide not to purchase the home they live in from Caltrans, Caltrans will offer the home to the City to purchase after all the current tenants complete their sales. The City will then need to decide if it would like to purchase the home. If the City (or its designated affordable housing partner) does purchase the home, no current tenants will be displaced. Tenants will be able to continue to rent the home from the City or its HRE.

Q7. We already have affordable housing non-profit companies that exist and have experience. Who will own and manage the Caltrans surplus properties?

- a. If the City purchases the properties, the City will explore the formation of a community-based ownership entity (community land trust) with a Board that will consist of local residents. This entity would be the steward and ensure that the portfolio of surplus properties remain in local ownership, repaired to City standards, with high quality maintenance and management in perpetuity.
- b. The community-based entity will issue a Request for Proposal and hire local highly experienced companies to manage the properties and collect a fee.
- c. The City is also exploring partnering with an experienced affordable housing developer that will coordinate the financing, repairs, and sales of the homes.

Q8. Will the community garden located at 1028 Magnolia be allowed to continue as a garden site?

The City will have the opportunity to purchase 1028 Magnolia from Caltrans in order to keep it as a community garden.

Q9. I am a tenant in a single-family property, and I did not initially qualify to purchase directly from Caltrans. Will I have the opportunity to purchase the home if I qualify later?

- a. If the City purchases a tenant occupied property, it will go into the City-initiated rental portfolio that is owned and operated by either the local community land trust or the City-selected non-profit. Whether the acquired properties are later sold to the existing income-qualified tenant is a policy choice of the community land trust or the nonprofit.
- b. If the property is sold, the price will be determined using affordability standards and any future resale will be restricted to the same standards for 45 years.

Q10. I am a resident of the City. What are the advantages of SB 381?

- a. SB 381 put the City of South Pasadena before any housing related entities allowing for local control.
- b. With SB 381, we can ensure that the City has the opportunity to purchase the entire portfolio of Caltrans surplus unoccupied properties in the City and rehabilitate them to a high quality.
- c. With this approach, the City can add much needed affordable housing to our community which allows the City to meet their State mandated affordability requirements.

Q11. How will the City choose who gets to live in the vacant units?

- a. First, the properties must be thoroughly inspected and rehabilitated (except historic homes which can be sold directly to the buyer without repairs).
- b. These homes will only be available to households that meet the State definition of affordable household for Los Angeles County.
- c. The exact tenant/buyer selection process has not been determined. City staff will follow Fair Housing laws when developing the proposed tenant/buyer selection process. The community will have an opportunity to provide input through the public meeting process.

Q12. What will happen to the designated historic homes?

- a. The City will work closely with the South Pasadena Historic Preservation Foundation to determine the scope of work needed to restore these homes according to the City's historic preservation ordinance.
- b. The South Pasadena Historic Preservation Foundation will provide ongoing monitoring of the home to ensure repairs and renovations in the future will be done in accordance with standards typical of a historic home. There will likely be a recorded historic covenant on the property.
- c. The City will have the ability to sell or rent the historic homes at affordable rates, in accordance with State of California affordability criteria for Los Angeles County. Or, the City will be able to sell the historic homes at a fair market price in their as-is condition, and use the resulting proceeds from the sale to create at least three additional affordable units in the city.

Q13. How will the City fund the acquisition, rehabilitation, and management of all these properties?

- a. SB 381 allows the City to purchase the surplus properties at a price far below the market value or even the restricted value for affordable housing. The City is completing a comprehensive inspection analysis to determine a scope of repairs and estimated repair cost. Those numbers will be included in a complete portfolio financial analysis. It is anticipated that the analysis will reveal sufficient equity in the portfolio of homes and used to obtain private financing for acquisition and/or rehabilitation.

- b. The City has sufficient funding from existing sources to acquire all the unoccupied surplus properties.
- c. It is anticipated that the rents collected from the homes will provide sufficient funding to take care of all the ongoing maintenance and property management of the properties. A thorough economic and property analysis will be conducted prior to acquisition.
- d. The City will leverage its resources to pursue all available sources of funding (including possible State government funding) to reduce the cost to the City.

Q14. Does the law require only rental or is ownership of the homes allowed?

- a. SB 381 allows either affordable rental or home ownership. The mix between rental and ownership will be a policy choice of the City.
- b. This decision between rental and ownership will be part of the public input process that the City Council will put in place for the disposition of these properties.

Q15. Where can I get more information?

For more information, please visit Caltrans' SR 710 Sales Program website at <https://dot.ca.gov/710homes>, or call the SR 710 Property Sales Hotline at (213) 897-8184.

Q16. What is the contact information for matters related to Caltrans properties?

EMERGENCY- Call 911

California Highway Patrol

Captain Manny Gill
East LA CHP
161 Corporate Center Drive
Monterey Park, CA 91754
(323) 980-4600
MGill@chp.ca.gov

Caltrans Contracted Security Company

Good Guard's 24/7 Dispatch Center – (626) 888-2370

South Pasadena Police Department

(626) 403-7270 (main line)
1422 Mission Street
South Pasadena, CA 91030

TENANTS' CUSTOMER SERVICE LINE (8:00a.m. to 5:00p.m.) – (213) 897-0929
AFTER-HOURS HOTLINE – (213) 713-5389

Caltrans Contacts

Bianca Rodriguez, District 7 External Affairs
Deputy District Director
(213) 897-0362

Edward Francis, Division 7 Right of Way
Deputy District Director
(323) 303-6642
Edward.francis@dot.ca.gov

Sales Program Information - Veterans Realty Group
Main Line: (951) 444-7360
710info@veteransrealtygroup.com