

SB 381 Community Forum

<u>Question</u>		<u>Answer</u>
1	I am requesting a comprehensive accounting and review of available funds from two bills that were passed in state legislature. The first was a bill passed by then State Senator Adam Schiff in 1999, which was a rental to rehabilitation housing account. The second was a bill passed in 2015 by then State Senator Carol Liu which holds the funds from sales of the Caltrans housing in the 710 corridor.	<ul style="list-style-type: none"> • Historic Property Maintenance Fund: \$170,000 • SR-710 Rehabilitation Account: \$1.2mil
2	Although the word “demolish” is not in Senate Bill 381, references to “as is” and statements in the bill acknowledging when an unoccupied historic property unit is “removed,” these words strongly suggest that such properties may indeed be demolished in the near future. Since we all know how horrid these properties are currently due to the utter neglect by Caltrans, at what point will the City decide that the unoccupied historic structures have to be demolished? Who will develop/decide the criteria and who will render that opinion? Will the public have a voice in establishing those criteria?	<ul style="list-style-type: none"> • I believe removed is in reference to removing the property from the rental market not demolition of the property • Historic Properties that are in disrepair would be subject to the City’s requirements for a Certificate of Appropriateness and the Cultural Heritage Ordinance if they are being proposed for demolition (or alteration)
3	Will the City have these historic properties decertified of their historical significance (as identified in the City’s Inventory of Historical Sites database) through the City’s Design Review Board, Cultural Heritage Commission, and/or the Planning Commission? Will the public be allowed to comment on these proposed de-certifications or will such actions be considered ministerial because the City has “no choice” due to SB 381 and the State’s RHNA number assigned to the City?	<ul style="list-style-type: none"> • A Historic Resources Evaluation will be conducted • Residents within 300-feet will be notified of the intent to demolish • Proposed demolitions will be presented to the CHC -- public comments will be permitted
4	What role, if any, will the Design Review Board, Cultural Heritage Commission and/or the Planning Commission take throughout this process. Will the South Pasadena Preservation Foundation (SPPF) also be involved due to their extensive expertise?	<ul style="list-style-type: none"> • Any alterations or demolitions to the properties will be subject to the City’s Zoning Code and Development Standards • In the past, SPPF has held historic covenants on behalf of the City
5	Why does the City deny the usefulness of side-by-side escrows? What funding source or sources is/are the City relying on to initially purchase up to 68 Caltrans properties? BTW, there appears to be a similar concept of side-by-side escrows done by the Federal Government through the General Services Administration (GSA): Frequently Asked Questions (gsa.gov). These transactions are referred to as Public Benefits Conveyances. They are different somewhat from SB 381 as to the federal laws they must comply with and asking for fair market value and other public benefits, but conceptually very similar. The sponsoring federal agency (like the City of South Pasadena) ensures that only qualified	<ul style="list-style-type: none"> • The City does not deny the usefulness of side-by-side escrows and is working with the South Pasadena Preservation Foundation to consider alternative funding options • The City is open to different funding mechanisms

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	<p>bidders are in line for consideration by the GSA (like Caltrans/HCD), that they meet the particular requirements, and that the buyers provide the money and not any of the federal agencies (like what South Pasadena should consider). Why would the City take on funding debts for so many properties when there are so many other critical core functions that need to be maintained, fixed, or upgraded NOW that could use existing funds or focus on securing new funds?</p>	
6	<p>Why was a 3:1 ratio established with respect to the unoccupied historic homes versus new or purchased affordable housing units? Who made that determination and why did the City agree to that ratio given that Caltrans is selling them as is? Has there ever been a similar situation like this where this high ratio is required for such deteriorated housing units?</p>	<ul style="list-style-type: none"> • The City attempted to negotiate for a lower ratio
7	<p>This bill, as adopted, does not provide “reparations” for the mistreated Caltrans tenants by Caltrans nor any acknowledgment of the neighborhood’s financial and emotional burdens that were shouldered during the gradual rotting away of these properties. Why was there no participation or active engagement for the Caltrans tenants and other affected community stakeholders to be considered within the implementation of this bill?</p>	<ul style="list-style-type: none"> • The aim of the bill is to get Caltrans out of the housing business while giving the City and tenants a streamlined sales process.
8	<p>Will the zoning changes for these properties occur before or after the General Plan Update is approved?</p>	<ul style="list-style-type: none"> • Any zoning changes associated with the implementation of SB 381 would be separate from the proposed changes in the General Plan Update
9	<p>Are these zoning changes and their related impacts included in the environmental impact report for the General Plan Update? If not, why is that?</p>	<ul style="list-style-type: none"> • It is currently unclear if there will be any zoning and therefore zoning changes were not taken into consideration in the development of the General Plan Update
10	<p>Using Bonita Drive as an example with numerous occupied and vacant Caltrans properties, what happens with those properties that are in fact on very small lots and which are slated for demolition? If it proves advantageous to the City to have multiple housing units on that very narrow and hilly street but the number of Caltrans properties cannot support whatever the City (or the designated Housing-Related Entity, i.e., HRE) has in mind as the ultimate number of new affordable housing units on that street, will the City (or the HRE) seek out voluntary sales from willing sellers who reside in non-Caltrans houses on Bonita? What if one or more property owners don’t wish to sell their non-Caltrans properties on Bonita Drive, would the City resort to eminent domain to secure the</p>	<ul style="list-style-type: none"> • The City will evaluate different housing options within the relevant development standards. There is no intention to use eminent domain to meet the RHNA numbers.

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	needed parcels to prove to HCD the City’s willingness to meet its RHNA number?	
11	How can the City realistically meet that schedule? That is just three years when we soon enter January 1, 2022. Is the City planning to hire a real estate property management firm? While I have great faith in our new City Manager, Ms. Armine Chaparyan, this timing is not possible as she mightily corrects, redirects, and reorganizes our City’s overall core functions and operations. Our City continues to be short-staffed. Will the City go through the RFP process or will it do sole sourcing like it did with PlaceWorks on the General Plan Update to get such property management firm in place? It all takes time as you well know.	<ul style="list-style-type: none"> • The City would go through the standard RFP process
12	The bill does not acknowledge the new construction constraints the nation is now facing such as the disruption of the supply chain for materials, the increased costs of building materials, and the increased cost and availability of skilled laborers. These issues will contribute to whether the City can meet the artificial deadline, along with securing adequate funding for such endeavors. Why is a specific deadline for the City set in stone when Caltrans has been in possession and has mismanaged these properties for decades?	<ul style="list-style-type: none"> • The City gets two (2) two-year extensions, which would allow for more time to meet restrictions in the bill
13	According to Section 54239.4(b)(1)(P), Caltrans “shall” provide an accounting of all information on the historical properties by January 1, 2022. What if they don’t meet that schedule? According to Section 54239.4(g), Caltrans must commence the sale of its unoccupied surplus properties through a solicitation of interest by June 30, 2022, and if that doesn’t happen then Caltrans has to report to the State Legislature the reasons why by December 31, 2022. Again, what if they don’t meet those benchmarks either? Quite frankly, Caltrans is unleashed, untethered, and seems to dictate its own rules and is oblivious to the damage it has done to our City and in particular, my neighborhood, the Meridian Avenue Corridor.	<ul style="list-style-type: none"> • The Senator’s office will work with Caltrans to ensure the information is provided. • Senator Portantino the Chair of one of the Committees that Caltrans would have to explain why they could not meet that deadline.
14	With respect to Section 54239.4(b)(1)(L), South Pasadena may get up to two, two-year extensions after the December 31, 2025 deadline, but Section 54239.4(b)(1)(K) says that in the meantime, HCD can penalize South Pasadena for missing the deadline unless certain progress is made. Nowhere in this bill does any responsibility fall on Caltrans, so the requested time extensions due to Caltrans potential lack of cooperation	<ul style="list-style-type: none"> • Yes, there are strict restrictions to ensure compliance. However, since the historical homes will be purchased by the City at acquisition price and will allow the City to sell those historical homes at fair market value and keep the proceeds in South Pasadena. They City can also apply for extensions.

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	<p>may not be granted by HCD. The “heavy hand” to comply appears to be solely on South Pasadena as dictated by HCD in never ending requests for information and documentation. Yet the slumlord Caltrans has the ability to avoid responsibility, not pay the property taxes due South Pasadena for all these years, and leave these once modest but livable properties into literally ruins. Why was Caltrans not called out more and why is South Pasadena forced into this ridiculous time schedule that most certainly won’t be met unless the City plans to unload most of the properties to an HRE? And, if that is the case, who do we complain to if the HRE fails to maintain the properties? Will there be consequences spelled out or will everyone get a free pass except for the residents?</p>	
15	<p>Where in this bill or in the summary is it stated who will determine the level of acceptable maintenance versus sub-standard conditions for those existing Caltrans’ multi-housing rental units not to be demolished? Is Code Enforcement capable of an increased workload? We question that department’s ability given a certain neighbor on Meridian, south of the high school, who after several years continues to flaunt code violations despite the City’s actions and our neighbors’ complaints to the City. Additionally, will some of the historic houses be turned into a co-sharing business venture or a boarding-house arrangement? Will there be limits on the numbers of such facilities? Does Code Enforcement have the knowledge and expertise to deal with such rental alternatives in South Pasadena?</p>	<ul style="list-style-type: none"> • The U.S. Department of Housing and Urban Development and State Department of Housing and Community Development habitability standards will be used to determine the level of maintenance. • The City is currently in the process of hiring a full-time community improvement coordinator to assist with code enforcement issues. • There has not been any determination on which properties the City will purchase or how they will utilize the properties that are purchased; however the City’s current policies do not permit short-term rentals and therefore boarding-house type facilities would not be permitted.
16	<p>Who in the City will be doing all this documentation for up to 68 properties? Will some sort of tracking system (manual or computerized) be necessary? Will this also require additional consultant services? How much will that cost?</p>	<ul style="list-style-type: none"> • The City is currently exploring options to develop a Housing Division within the Community Development Department, if funded, this division would have oversight for the housing purchased by the City and/or manage the contracts with any Housing Related Entities that the City partners with. This division would likely include one full-time staff person.
17	<p>Compliance with many aspects of this bill’s section will ultimately be determined by HCD and is NOT subject to appeal. With so much proposed and so much coordination needed in this bill, there are bound to be mistakes, miscommunications, and sometimes, things just go wrong unintentionally. All legal matters have some sort of appeals mechanism, why was an appeals process dispensed with in this case?</p>	<ul style="list-style-type: none"> • To be determined during the rulemaking process.

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18	Who will be the monitor? The section allows for Caltrans to designate a public agency to carry this out so that it can be reported presumably to the State Legislature.	<ul style="list-style-type: none"> To be determined during the rulemaking process.
19	The bill also allows the monitoring entity to charge the property owner for administrative purposes. Presuming that the public entity will be the City, how will the City determine the appropriate charge? Will there be a sliding scale between the low and middle income property owners? Will there be a public forum on these fee structures via the Finance Commission? Or will the fees be solely developed by staff in the Finance Department?	<ul style="list-style-type: none"> The establishment of a fee would be subject to a fee study and would require Council to adopt a resolution which would provide the public with an opportunity to provide comments on the proposed fee.
20	This bill is silent on those individuals who will do their own repairs, i.e., sweat equity. Does this prevent such individuals from doing their own upgrades/restorations to their “forever homes?”	<ul style="list-style-type: none"> Once purchased, the new homeowner would make the repairs/upgrades/restorations on their home
21	How does this bill support the possible use of funds from the California Self-help Housing Program: California Self-Help Housing Program (CSHHP). The website states the purpose of this program is to: “Fund programs that assist low- and moderate-income families to build their homes with their own labor.” If the funding is limited at this time, perhaps Senator, you can help with the State finding additional funding for those who might wish to go this route.	<ul style="list-style-type: none"> SB 381 does not prevent a nonprofit or city from applying for this program and working with residents to build their own homes
22	Does SB381 affect only South Pasadena or are other communities also affected?	<ul style="list-style-type: none"> Only the City of South Pasadena
23	what happens with the tax base for so pasadena under this law?	<ul style="list-style-type: none"> SB 381 provides tools for the sale of surplus properties. Upon their sale, these properties will be subject to property tax, adding to the tax base for the City.
24	when do existing tenant occupied homes go on sale?	<ul style="list-style-type: none"> We do not have a date yet, it is subject to the adoption of the new regulations. We expect some time in Summer of 2022. Tenants interested in purchasing their properties should start preparing now.
25	When is sale of all OCCUPIED properties supposed to start and when will sales be completed?	<ul style="list-style-type: none"> We do not have a date yet, it is subject to the adoption of the new regulations. We expect some time in Summer of 2022. Tenants interested in purchasing their properties should start preparing now.
26	How do we know things will happen on time. As a long time CalTrans tenant, we’ve seen nothing but delays and nothing has ever happened on time. Once the regs are approved, what is to prevent a lawsuit being	<ul style="list-style-type: none"> Caltrans will start with the sale of the vacant properties first. The Senator’s office will follow closely to ensure timely sales

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	filed and nothing going forward until the litigation is resolved-which could be one year to two years or more	
27	You have said nothing about what these "emergency rules" are or why we should care	<ul style="list-style-type: none"> • They aren't in print yet. The purpose of this meeting was to provide the community with the general information on the rule making process. We just want to make sure you and your neighbors are ready and your questions are answered. • The emergency rules will be taken directly from SB 381. These rules allow Caltrans to implement the provisions in SB 381
28	If we would like to make a comment, how do we sign up to do so?	<ul style="list-style-type: none"> • questions and comments can be submitted through the Q&A here
29	Great, we'll find out what they are when they are in print. Helpful	<ul style="list-style-type: none"> • Yes.
30	If current tenants choose not to buy, is CT responsible for repairing them? Some of the renters have been occupying for decades and the structures are dilapidated and contribute to substantial neighborhood blight. Thank you.	<ul style="list-style-type: none"> • If a tenant chooses not to purchase then the City or another HRE could purchase "as is" • Repairs would be up to the City or the HRE
31	Will this be a drain on the city finances or will the rents be sufficient to pay for improvements and services	<ul style="list-style-type: none"> • The City will be performing inspection of properties and repair analysis for financial modeling to determine costs. City will consider all these policy decisions, including financial impacts and proforma analysis, in upcoming public meetings.
32	How many of these properties are planned to be purchased by the city? Or maybe another way of putting it is, how much can the city afford?	<ul style="list-style-type: none"> • Initially, the City will be offered the 22 unoccupied properties. This is a policy decision the City will be making based upon financial analysis and estimated repair costs for each property.
33	What will inform South Pas's decision to buy unoccupied homes that prior tenants do not purchase? Then what will they do with them	<ul style="list-style-type: none"> • The intent of the bill for the unoccupied properties is to facilitate the availability of affordable housing. The City will consider options for re-selling or renting these properties once acquired. These decisions will be part of continued public discussion.
34	How does the bill define "Tenant in Good Standing"?	<ul style="list-style-type: none"> • The bill does not address that issue, but this is the definition as defined in the affordable sales program regulations: <ul style="list-style-type: none"> • Good standing means tenants or occupants who are current in rent obligations, and in full compliance with the terms and conditions of the lease or rental agreement.
35	Thank you.. on point number 2 on this slide.. are there any guarantees that may be secured during oal process?	<ul style="list-style-type: none"> • The 5 day comment period and the 10 day review period are fixed guarantee.
36	I would like to comment on my experience as a Cal Trans tenant that recently purchased my Cal Trans property.	<ul style="list-style-type: none"> • Please email me at kristi.lopez@sen.ca.gov

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37	What if regardless of our opposition, Office of Administrative Law approved regulations that reject the legal right to form a cooperative for Multi-Family Housing	<ul style="list-style-type: none"> In SB 381, this is allowed.
38	I understand that Kristi. But if tenants choose not to purchase, they will not be evicted, correct? If the renters stay on in perpetuity, what is the plan to rehab these dilapidated structures? For tax payers living amongst these Caltrans homes, this is wholly unfair. Thank you.	<ul style="list-style-type: none"> Correct. There are provisions to protect from displacement unless the house goes all the way to the public auction phase, but tenants may receive relocation benefits or assistance.. Repairs would be left to the City or HREs
39	I live in a 6 unit apartment property. Interested in buying with fellow tenant/tenants. What standing does this apply to? HRE? MFR?	<ul style="list-style-type: none"> Tenants could purchase at fair market value with no restrictions Tenants could become HRE and bid with other HREs
40	Will Caltrans still entertain transactions with existing tenants under the APS or other strategies as the 381 rules are being developed? Are any pending?	<ul style="list-style-type: none"> Caltrans cannot move forward until after the rule making process
41	So, are the current low income tenants now allowed to buy at the acquisition price in So Pas?	<ul style="list-style-type: none"> Those who qualify for the affordable sales program will be purchasing at the affordable sales price. Under the bill, the City or an HRE may purchase at the acquisition price which will require a 45 to 55 yr affordability covenant.
42	Does Caltrans have authority to determine which types of properties have priority or will it be governed by Roberti (i.e. affordable tenants in SFRs first, and then...)	<ul style="list-style-type: none"> Will be governed by the Roberti waterfall (as amended by the new legislation), which is the priority order
43	Do South Pasadena residents who are not tenants get any sort of priority in the sales?	<ul style="list-style-type: none"> For occupied properties, current tenants will have the first right to purchase. For any property the City acquires, there will be upcoming discussions on policies for the rental or re-sale of such property. Any sales will need to comply with fair housing laws
44	Will any of the property the city purchases go towards meeting RHNA requirements?	<ul style="list-style-type: none"> According to HCD, the existing units (occupied or unoccupied) do not count towards RHNA, but could if certain requirements are met.
45	How do you address multi residential properties - more commonly known as apartments?	<ul style="list-style-type: none"> Multifamily units can be sold at fair market value to current tenants Tenants can start their own HRE and bid with other HREs
46	There HAS to be help for current tenants as CalTrans doesn't have a history of acting in good faith. How is that help monitored?	<ul style="list-style-type: none"> Please email Kristi.Lopez@sen.ca.gov with any issues.
47	I am a fair market tenant. I have been told by city officials that I will be displaced if I pass on purchasing the property because I am not income qualified as low or moderate income because of affordable housing mandates set forth by Sb-381. Is the correct ?	<ul style="list-style-type: none"> Current tenants regardless of income have first right of occupancy if purchased by the City or HRE
48	What requirements and/or measures will be taken to ensure that the dilapidated unoccupied homes are renovated?	<ul style="list-style-type: none"> If the city proceeds with the purchase of the unoccupied properties, a comprehensive inspection and assessment of repairs will be

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		conducted. Repairs will be completed by the City before the properties are sold or rented.
49	Representing South Pasadena Tenants Union, if any CalTrans tenants do not qualify for financing will the City or the State protect those residents from eviction?	<ul style="list-style-type: none"> • Tenants have first right of occupancy if they cannot purchase and the property is purchased by the City or an HRE. • There will be a financial aid workshop where financing will be explored. • If the homes move to the last priority, which is public auction, then Caltrans will provide relocation assistance
50	The regulations just submitted for El Sereno and Pasadena deleted the previous definition of good standing in the regulations	<ul style="list-style-type: none"> • Noted.
51	How/who determines what is MFR - if, for example, it is a 2-unit property, 1 with a long-term tenant in good standing, & the other having been left empty for 10+ yrs, in bad disrepair, & according to South Pas, the property has long since lost its non-conforming status as anything but SFR?	<ul style="list-style-type: none"> • This is a very specific situation – please contact the Senator’s Office for further discussion.
52	Does this mean that The City will be allowed to purchase before tenants receive offer? Would City of South Pasadena be supportive of ..	<ul style="list-style-type: none"> • The City will be offered the unoccupied properties. All current tenants, regardless of income, will be offered first right to purchase their property.
53	Will the unoccupied property acquired by the city be sold at auction? And is the property intended to be sold as a SFR?	<ul style="list-style-type: none"> • No. If the city purchases an unoccupied property then it will have to be used for affordable housing. Only if the city does not purchase then it would go to another HRE and if they don’t purchase then the property would follow the priority order and ultimately offered at public auction
54	What chart will CalTrans use to determine moderate income?	<ul style="list-style-type: none"> • HCD State Income limits
55	i have lived in a historic house for the past over 40 years. i was offered the house to purchase at a low to moderate income level. the price was really affordable, but i would have had to make the historic repairs which are very expensive. is this new offer based on roberti bill for sales with caltrans making historic repairs beforehand?	<ul style="list-style-type: none"> • If one qualifies for an affordable sales, then Caltrans will make lender required repairs
56	Is that affordable price the fair market value price?	<ul style="list-style-type: none"> • the affordable price is based on the tenants income and regulations in the California Health and Safety Code. For those who do not qualify for the affordable prices, fair market value will be determined by an licensed appraiser.
57	Why can't we ask our questions directly? Is this a community forum or a one-way discussion to limit residents unput?	<ul style="list-style-type: none"> • Please ask your questions so we can answer them.

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58	Language in regulations, at OAL, supporting process where tenants go first? Thanks!	<ul style="list-style-type: none"> You are welcome.
59	About two years ago, CalTrans said we owed money for rent. We contested that (because it was dead wrong). Caltrans never got back to us. Does that mean we're not in good standing?	<ul style="list-style-type: none"> Please email kristi.lopez@sen.ca.gov
60	Caltrans tenants received a letter in the mail that stated that "Phase 2" would start with vacant homes first.	<ul style="list-style-type: none"> Yes, the timeline for the unoccupied is expediated. While the offer of sale to current tenants will also be expediated, these sales will have an extended closing time than the City as Caltrans will need to work with individual tenants/properties to determine the sales price.
61	shouldn't the ultimate sale price be in par with Market conditions in all fairness to regular homeowners?	<ul style="list-style-type: none"> The Roberti Act was authored in the late 1970's and has enabled low income tenants to purchase properties as a method of providing affordable housing. This is why the program allows existing tenants who qualify as affordable to purchase their properties at an affordable price. All other properties will be sold as is at fair market value.
62	What about multiple family dwellings? A duplex for instance"	<ul style="list-style-type: none"> Depends on what city the property is in. In South Pasadena a tenant(s) could get together and purchase at fair market value or form an HRE
63	Will all tenants still have a choice to buy at market value?	<ul style="list-style-type: none"> Yes
64	We have experience with phase 1 and Caltrans hired Veterans Realty Group. VRG was not objective in their relationship. They claimed to that they were advocating for the tenants and represented CT simultaneously. They were definitely on all issues siding with CT. Can the city contract an independent group that will consult with the tenants throughout all phases of the sales process?	<ul style="list-style-type: none"> The sales transaction will be between the tenant and Caltrans. The City plans to host a workshop for tenants to connect them with resources and available financing tools.
65	In regards to Linda Esposito's questions and Kristi's answer: Correct. no tenants will be displaced unless the house goes all the way to the public auction phase, but tenants will get relocation fees.	<ul style="list-style-type: none"> (comment only)
66	Understood that Caltrans will make repairs to existing tenant occupied homes, but going forward many of these houses will require ongoing maintenance and repairs. How are low income owners going to afford to maintain these homes?	<ul style="list-style-type: none"> Caltrans will repair the occupied properties if they are being purchased by the existing tenants. Once purchased it will be the responsibility of the new homeowners to maintain the properties.
67	I think that it is unrealistic to say that the "City will not be in the middle" and that "Cal Trans and the Tenant will work together". In our case, the City of South Pasadena gave incorrect information about our lot to the Cal Trans appraiser. Cal Trans still has to work with the city. The	<ul style="list-style-type: none"> The City will work closely with tenants, Caltrans, and the Senator's Office to address specific areas of concern.

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	<p>misinformed city employee caused our appraisal to be \$250,000 higher than it should have been. The SPPF board was our only hope in negotiating.</p> <p>How will the City get informed on the properties?</p>	
68	<p>My wife and I are currently in the affordable rent program and have been waiting to buy. Buy the time are offer gets to us we may have higher income. Will are affordable price be protected since we have been waiting to buy for years?</p>	<ul style="list-style-type: none"> • The affordable sales price will follow the guidelines set out in the California Health and Safety Code.
69	<p>Why would a CT property go to public auction? What would happen that it would land in a public auction?</p>	<ul style="list-style-type: none"> • If the current tenant, or the city, or an HRE does not purchase, the property will to public auction
70	<p>Will renters in South Pasadena be able to purchase a Caltrans house?</p>	<ul style="list-style-type: none"> • The City will consider options for re-selling or renting the unoccupied properties once acquired. Policy decisions, including criteria and qualifications of buyers or renters, will be part of continued public discussion.
71	<p>We thought SB381 would be a vehicle on which help from the city would arrive but then all the sections in the bill that could have helped tenants were gutted last minute and we didn't hear any opposition from the city. It would be great to hear how this happen?</p>	<ul style="list-style-type: none"> • The Senator was happy to facilitate consensus between the City and Governor's office and even thought changes were made the policy goals were the same. fair market value tenants were moved up, allowing them to buy before HREs
72	<p>What is the risk that CT tenants are exchanging one slumlord (Caltrans) for another slumlord (City of South Pasadena)</p>	<ul style="list-style-type: none"> • Current tenants will have the first right to purchase their property directly from Caltrans. • Sale of unoccupied properties to the City will create housing where currently they are vacant. Local control of these properties will include maintenance and repairs under a City-selected HRE or Community Land Trust.
73	<p>What does FAIR MARKET value mean? Is it less the cost of major repairs?</p>	<ul style="list-style-type: none"> • Fair market value is the determined price that a property will sell for in an open market and factors in cost of repairs.
74	<p>Will unoccupied units of MFR property be sold as part of the initial/first sales of unoccupied properties?</p>	<ul style="list-style-type: none"> • Yes.
75	<p>What determines if a CT occupied home goes all the way to public auction? In the meantime, should we expect the dilapidated homes to remain as is? Thank you.</p>	<ul style="list-style-type: none"> • Only after the property is offered to a tenant and the city does not buy or another HRE does not buy then the property will go to auction
76	<p>Kristi, wouldn't multi- family units need to be converted into condo units first for the tenants to be able to buy them?</p>	<ul style="list-style-type: none"> • That is one way for tenants of multi-family to purchase.
77	<p>coops are also allowed in the existing regulations governing Pasadena, yet CT within the regulations states that they will not allow coops.</p>	<ul style="list-style-type: none"> • That only applies to LA

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78	Who is going to pay for all the renovations due to Caltran's neglect? The city does not have the staff or financial capacity to take that risk on.	<ul style="list-style-type: none"> For occupied properties with income qualified tenants, Caltrans will pay for lender-required repairs. For unoccupied properties sold to the City at acquisition price, the net equity from each property may fund much of the needed repairs. A comprehensive inspection and repair estimate will be needed to inform the financial proforma. The City will also consider other funding sources from the state and federal government for affordable housing.
79	Will tenants in multi unit buildings who can form the partnerships to qualify for financing be evicted?	<ul style="list-style-type: none"> The legislation protects tenant occupancy. Even if another HRE purchases the property, current tenants have first right of occupancy.
80	Is a single property with 2 units that are separate buildings and have separate addresses, but only 1 of which is occupied, considered MFR?	<ul style="list-style-type: none"> Yes.
81	Is the affordable price offered by Caltrans still only the same fair market value price for my historic home that they were offering before SB381 in So. Pas?	<ul style="list-style-type: none"> The affordable price is based on the tenants qualifying income level.
82	Why can't SPPF and Cal Trans work with tenants using side by side escrows?	<ul style="list-style-type: none"> The City continues to discuss all options with Caltrans.
83	Will you (Sen Portantino) be capturing all of the questions in a document that can be provided to the general public?	<ul style="list-style-type: none"> Yes.
84	I have been offered my property at fair market value to purchase now. I have a price from cal trans and have been pre approved for financing. Are you now telling me I cannot buy now even though the process has started for fair market ?	<ul style="list-style-type: none"> The 2016 offer letter issue is being discussed now. More information to follow. Please email me kristi.lopez@sen.ca.gov
85	Why wasn't Pasadena included in SB 381? Now Pasadena tenants have been lumped into much of the same rules/timeline with El Sereno even though SB 51 wasn't supposed to apply to Pasadena.	<ul style="list-style-type: none"> The City of Pasadena had the opportunity to be added. The only impact to Pasadena from the SB 52 regs is the 55yr/45yr covenant
86	South Pasadena needs to increase the relocation fees to quadruple that of AB1482	(comment only)
87	What does Fair Market Value mean?	<ul style="list-style-type: none"> Fair market value is the determined price that a property will sell for in an open market.
88	So, multi-family residences are required to create an HRE on their own and then compete with others on a bidding process? So does that mean the highest bidder wins?	<ul style="list-style-type: none"> Current tenants of multi-family properties will have the first right to purchase their property through some form of ownership model that will be further defined in the rulemaking process.
89	Please explain how the city might ensure replacement affordable units and is there a time frame for which those units will need to be created?	<ul style="list-style-type: none"> The City is required to determine the replacement units before it proceeds with the sale of the market rate historic properties. There

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<u>Question</u>		<u>Answer</u>
		are specific reporting requirements and timelines to be met. The City is required to commence construction or complete acquisition of the additional affordable units by 12/31/2025, and may request extensions up to December 2029.
90	'The inability to buy your home does mean eviction.' Understood. However, how does SB 381 support those tax payers who live amongst these CT dilapidated properties? Our home values are decreased, as a result. I've asked this question in various iterations 3 times.	<ul style="list-style-type: none"> • SB 381 expedites the sales process for unoccupied properties. The sale price for current tenants will be determined by their income and Caltrans will make lender-required repairs for those sold at affordable price.
91	Why does San Marino only require 200 new units and South Pasadena require 2000?	<ul style="list-style-type: none"> • The Regional Housing Needs Assessment allocation was established by a formula developed by the Southern California Association of Governments. The formula focused on
92	Will the city be allowed opt to do in lieu of fees (as proposed in Housing Element) instead of creating the affordable units, that might be lost from sale of historic homes, within 91030?	<ul style="list-style-type: none"> • No.
93	Anonymous Attendee: Does your house share utilities or structures with the other house? A single property with 2 separate units can be split by Caltrans at any time using the Subdivision Map Act and the LA County Small Lot ordinance where necessary. They are choosing not to apply the power without any justification. Single Family Residence is defined in the Roberti Act as "a real property improvement used, or intended to be used, as a dwelling unit for one family." Does that describe your property? This issue really needs to be addressed head on.	(comment only)
94	I am the only one that has first hand knowledge of how Sen. Portantino's process works. I have the only completed sale and real data and knowlege about the process. I have specific questions about how South Pasadena will be able execute your plan. You are censoring questions and controlling comments. It's not a fair community forum if you don't actually want to hear what we have to say or answer hard questions about the execution of the bill.	<ul style="list-style-type: none"> • Sen. Portantino: Lori, please ask your questions so it can be answered. The point of tonight is to get the question asked and answered.
95	The question regarding a tenant's option to buy at FMV instead of low to moderate income is yet to be addressed. Could someone explain please?	<ul style="list-style-type: none"> • Sale price is determined by the tenant's income. Further guidance will be provided after final rulemaking.
96	Kristi, follow-up question to Linda Esposito's. Tenant will continue to occupy property, but not purchase. You indicate the City or other HRE could purchase. Linda was asking who will pay for rehabilitation, or if the home will be rehabilitated. What happens to the tenant in this instance?	<ul style="list-style-type: none"> • Each property will be addressed at a case-by case basis. If the City, HRE, or Community Land Trust holds the property, repairs will be made by them.

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<u>Question</u>		<u>Answer</u>
	and who will provide the tenant temporary housing while the work is being done?	
97	The Proposed Emergency Rulemaking filed last week demonstrated that Caltrans is intentionally extending rules created for El Sereno through SB51 to the City of Pasadena (eliminating Co-ops, 55yr covenant, prioritizing vacant property over sales to tenants). Despite the fact that the rules filed are only for El Sereno and Pasadena, would the Senator find it acceptable if rules drafted in response to SB381 were also extended to the other part of his district? Is there a process in place to address this overreach in the rulemaking before they are submitted to OAL?	<ul style="list-style-type: none"> • The City of Pasadena has no issue with the proposed emergency regulations • This achieves a corridor wide solution to affordable housing
98	most important question: Can the boundary of South Pasadena be extended north approximately 8 blocks to include the rest of the Caltrans homes in Pasadena?	<ul style="list-style-type: none"> • No.
99	Will all tenants still have a choice to buy at market value?	<ul style="list-style-type: none"> • Yes, if South Pasadena. these tenants have been moved up in the order. All tenants will be given first right to purchase before an HRE.
100	why are vacant homes being sold first? Roberti specifically calls for tenants to be offered homes first/ Right?	The timeline for the unoccupied properties is expedited. While the offer of sale to current tenants will also be expedited, these sales will have an extended closing time than the City as Caltrans will need to work with individual tenants/properties to determine the sales price.
101	The web link in the slide does not work	<ul style="list-style-type: none"> • https://dot.ca.gov/caltrans-near-me/district-7/district-7-popular-links/d7-sr-710-sale-properties
102	It will be impossible for those of us who will not qualify as moderate or 150% of the AMI to purchase our homes in So Pas even though our income is well below \$200,000. The Fair Market price will be over 1 million for most homes in So Pas. Will the city help us or give some guidance?	<ul style="list-style-type: none"> • There will be a financial aid workshop where financing will be explored.
103	Caltrans has not stuck to timelines in the past. Does this bill and/or the city's involvement offer any assurance that the timelines will be firm?	<ul style="list-style-type: none"> • Caltrans has to commence unoccupied sales by June 2022.
104	This question is for the City, City Representative.. Would the City support signing on to an open letter directed to OAL.. once regulations are submitted/reviewed regarding the 'sequence' of sales. In that the City supports existing occupied homes/cal trans tenants to be allowed to purchase first.. (per Roberti), and then the City is willing to begin process of purchasing unoccupied, vacant and historic homes? Tenants have been waiting too long.. Thank you.	<ul style="list-style-type: none"> • The City supports the expedited sale of all properties. Our understanding is the sales process for both occupied and unoccupied will begin simultaneously.

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	<u>Question</u>	<u>Answer</u>
105	For a vacant/undeveloped lot would the city be interested in purchasing that lot? If the city needs to use the lot for affordable housing the city wouldn't want to be responsible for land development correct?	<ul style="list-style-type: none"> • This is a policy decision the City will be considering in future public meetings.
106	Will you consider side by side sales of unoccupied both affordable and market?	<ul style="list-style-type: none"> • The City is exploring all options.
107	If a tenant chooses not to buy, will CT continue to be their slumlord if the City or a HRE also does not wish to purchase the property	<ul style="list-style-type: none"> • After tenants, City, or HRE do not purchase, the property will go to public auction.
108	Can a tenant qualify to purchase if they are below 30% of AMI?	<ul style="list-style-type: none"> • Affordable sales price will be determined by the tenant's income. Other lender requirements may apply.
109	IS it only by the income assessment? Doesn't include other assets?	<ul style="list-style-type: none"> • Yes.
110	For future meetings like this, which we appreciate, could they be broken out into separate meetings for occupied vs. unoccupied properties? Just a suggestion.	<ul style="list-style-type: none"> • Noted, Thank you
111	When you say "The City" decides, who are you speaking of? What staff? They are short staffed and have lots of turn over. Who will make these decisions?	<ul style="list-style-type: none"> • "The City" generally means the City Council as they are the policy decision makers. If the City Council decides to purchase properties this will be done in partnership with either a City-approved HRE or Community Land Trust, the partnering agency will hold the long-term assets, and be responsible for the maintenance and repairs.
112	Sen, the City has a poor record of creating affordable housing. Two projects with over 100 market rate units were approved without an affordable requirement. What type of 'handcuffs' will be put on the city to ensure the 3 low income units will be provided within a reasonable time if the city sells any properties?	<ul style="list-style-type: none"> • The City will have to comply with HCD's rules laid out in the bill.
113	What happens if an 83 year old tenant buys a house at low income prices. When they pass can they leave the home to family at same price?	<ul style="list-style-type: none"> • The affordable sales will have restrictions on its use- this is a question for Caltrans when the sale offer is made to the tenant.
114	My wife and I in the affordable program and live in a house that on the open market would be unaffordable to us. So does caltrans have a responsibility to offer us a price that we can qualify for? In other words can Caltrans offer us a price they know we would never qualify for?	<ul style="list-style-type: none"> • The affordable price is determined by the tenant's income. If a tenant does not qualify for an affordable sale, they have the option to purchase at fair market value. • There will be a financial aid workshop where financing will be explored.
115	An earlier version of SB 381 in July 2021 included the phrase "The City is also authorized to close on the properties in a double escrow to be transferred to a city-approved housing related private or public entity." Can you comment on why this language was not included in the final version of the bill?	<ul style="list-style-type: none"> • The bill was amended several times throughout the legislative process. The Senator negotiated with the Administration to ensure a bill that would pass.

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<u>Question</u>		<u>Answer</u>
116	I'm sorry.. the question was misunderstood.. it was meant to ask.. the sequence of sales not the order of priority. Thank you. (Sequence.. SFR, MFR, Unoccupied, Historic, Occupied.)	<ul style="list-style-type: none"> It is our understanding that all sales will commence by Summer 2022, this includes unoccupied sales to the City and offers of sale to current tenants.
117	For occupied tenants. Regarding repairs that go into houses, who regulates the repairs because caltrans has a history of putting bandaids on things rather than fixing it. For example instead of fixing a floor they put a 2x4 across to support it instead of fixing it?	<ul style="list-style-type: none"> That is in current law, but for affordable sales they must make lender required repairs.
118	Can you explain why the addition of Present Tenant in Good Standing category was created?	<ul style="list-style-type: none"> Believe this dates back to when the previous Senator was in office.
119	Will the slides be shared to the same distribution list that received this Meeting notification? Or even better will the recording be shared?	<ul style="list-style-type: none"> Slides will be posted on the City's webpage: https://www.southpasadenaca.gov/visitors/state-route-710/senate-bill-381-portantino
120	how many properties within the city are in question here?	<ul style="list-style-type: none"> 68
121	for the unoccupied homes, if they go to auction, could there be a priority list for current renters within the city of south pasadena?	<ul style="list-style-type: none"> The public auction process will be open to everyone
122	Thank you for addressing my question, Kristi. Given the fact that some of us will be disproportionately affected by ongoing urban blight if CT tenants don't buy and ultimately CT is in charge of maintenance, how is the City going to address the concerns of the tax payer residents directly affected?	<ul style="list-style-type: none"> If a tenant chooses not to purchase then the City could purchase or another HRE "as is" Repairs would be up to the City or the HRE
123	Is there going to be a meeting planned in which members of the public may also speak on these issues?	<ul style="list-style-type: none"> Additional meetings and workshops are currently being planned in accordance with the health and safety protocols to minimize the spread of COVID-19. Staff will explore alternative methods for members of the public to provide verbal comments.
124	When will we know what the fair market value is? How can we find out what cal trans considers fair market?	<ul style="list-style-type: none"> Tenants will be sent that information when they are offered the property In general, calculating fair market value is done by comparing recent sale prices of similar properties
125	Sen, does it trouble you at all that the Mayor has run roughshod over the strenuous objections of residents, tenants, and SP Cultural Heritage Commission, or that Civicstone was hired for \$75m without an RFP. This was not a sole source situation.	(comment only)