

## “Frequently Asked Questions on SR 710 Home Sales”

<http://www.dot.ca.gov/dist07/business/710sales>

### I. General Information

Q1. Does Caltrans have a website for information, notices, regulations, statutes and more information on homes for sale?	We have a website to provide much more information on the process and timelines at: <a href="http://www.dot.ca.gov/dist07/business/710sales">[http://www.dot.ca.gov/dist07/business/710sales]</a> .
Q2. Will the information be provided in other languages?	The information will be provided in English and Spanish on our website.

### II. Regulation Process

Q1. Who will draft the sales regulations?	Caltrans Headquarters in Sacramento will draft the regulations with the assistance of our Legal Division.
Q2. How will the public’s input be used in drafting the sales regulations?	Public participation is key to the regulatory process. Input from workshops was used by Caltrans to address the issues deemed most important by the public. The next opportunity for public input will be when the proposed regulations are released and made available for at least 45 days of public comment, including a set of public hearings hosted by Caltrans.
Q3. How long will it take to draft and finalize the regulations?	Caltrans published the proposed regulations for public review and comment on May 30, 2014. The proposed regulations can be found at <a href="http://www.dot.ca.gov/regulations.htm">http://www.dot.ca.gov/regulations.htm</a> . Public comments will be considered and incorporated, as applicable, into the final regulations and submitted for approval to the state Office of Administrative Law. Caltrans is targeting fall 2014 for the adoption of the final regulations.

### III. Property Sales

Q1. How many properties will Caltrans sell?	Caltrans currently holds deeds to 461 properties related to the SR-710 project in the Pasadena, South Pasadena, and the El Sereno area of the City of Los Angeles. Of these properties, we will first sell the ones that have been declared excess <a href="http://www.dot.ca.gov/dist07/business/710sales">[http://www.dot.ca.gov/dist07/business/710sales]</a> .
Q2. Will an environmental document be needed for the home sales?	Yes. The sale of any state owned property, including the 710 properties, require that the state comply with (1) the California Environmental Quality Act

	<p>(CEQA), which is concerned with ensuring that there is no significant adverse change to the environment, and</p> <p>(2) Public Resources Code section 5024 [<a href="#">link to PCR section 5024</a>], which is concerned with ensuring that there is no adverse effect to any historic properties. Caltrans is exploring options to comply with CEQA, but allow sales of properties as expeditiously as possible.</p>
<p>Q3. What steps does Caltrans need to take for the properties to be designated as surplus excess properties?</p>	<p>Once the properties are identified as no longer necessary for the SR-710 project, they will be declared surplus excess pursuant to Street and Highways Code section 118 [<a href="#">link to Sts. &amp; Hy. Code section 118.</a>].</p>
<p>Q4. Is Caltrans committed to selling the properties as quickly as possible?</p>	<p>Caltrans is committed to going through the process as quickly as possible.</p> <p>The sale of properties is planned in three phases:</p> <p>Phase 1: Properties that are not within the scope of the remaining project alternatives.</p> <p>Phase 1A: Properties are single family residences that Caltrans has determined are non-historic and would not result in any community impact.</p> <p>Phase 1B: Properties are all other residential properties that are not within the scope of the remaining project alternatives.</p> <p>Phase 2: Properties that are within the scope of the remaining project alternatives but still can be sold.</p> <p>Phase 3: Properties declared excess after the completion of the approved preferred project alternative in the project environmental document.</p> <p>Caltrans is working to identify and declare excess Phase 1 properties in summer 2014. [<a href="http://www.dot.ca.gov/dist07/business/710sales">http://www.dot.ca.gov/dist07/business/710sales</a>].</p> <p>Selling the properties will require that Caltrans:</p>

	<ul style="list-style-type: none"> <li>• Draft and adopt regulations in accordance with the Administrative Procedures Act.</li> <li>• Declare the properties as excess.</li> <li>• Comply with the California Environmental Quality Act (CEQA), which is concerned with ensuring that there is no significant adverse change to the environment. For Phase 1A Properties: A mitigated negative declaration will be prepared and is planned to be completed in late 2014. For Phase 1B Properties: An environmental impact report will be prepared and is planned to be completed in 2015.</li> <li>• Comply with Public Resources Code section 5024 [<a href="#">link to PCR section 5024</a>], which is concerned with ensuring that there is no adverse affect to any historic properties.</li> </ul>
<p>Q5. Who will be offered residential properties first?</p>	<p>Caltrans will offer the residential properties according to Government Code section 54237 [<a href="#">link to Govt. Code section 54237</a>] and the proposed Affordable Sales Program regulations. The priorities are listed below:</p> <ol style="list-style-type: none"> <li>1. All single-family residences presently occupied by their former owners who are tenants in good standing shall be offered to those former owners at the <b>appraised fair market value</b>.</li> <li>2. All single-family residences shall be offered at an <b>affordable price or fair market value</b> at each buyers' option to the present occupants who are in good standing, who have occupied the property two years or more, and who are persons and families of low or moderate income if the present occupants have not had an ownership interest in real property in the last three years.</li> <li>3. All single-family residences shall be offered at an <b>affordable price or fair market value</b> at each buyers' option to the present occupants who are in good standing, who have occupied the property five years or more, and whose household income does not exceed 150 percent of the area median income if the present occupants have not had an ownership interest in real property in the last three years.</li> <li>4. All other surplus residential properties (including multi-family residences) and all properties</li> </ol>

	<p>described in points 1, 2, or 3 above that are not purchased by the former owners or the present occupants shall then be offered to housing-related public and private entities at a <b>reasonable price</b>.</p> <p>Note: All properties sold at less than market value will have 30-year deed restrictions, see Question 13.</p>
<p>Q6. How will the remaining properties be sold?</p>	<p>Caltrans will sell the remaining residential properties according to Government Code section 54237 [<a href="#">link to Govt. Code section 54237</a>] and the proposed Affordable Sales Program regulations. The priorities are:</p> <ol style="list-style-type: none"> <li>5. To present tenants, in good standing, at <b>appraised fair market value</b>.</li> <li>6. To eligible former tenants, who were in good standing, at <b>appraised fair market value</b>.</li> </ol> <p>Single family residences not sold under points 1 through 6 above will be offered pursuant to Streets and Highways Code section 118.6 [<a href="#">link to Sts. &amp; Hy. Code Section 118.6</a>], with preference given to the highest responsive bidder who will be owner occupants.</p>
<p>Q7. I live in a Caltrans rental house. Am I a tenant or an occupant?</p>	<p>For the purposes of the sale of properties, pursuant to Government Code section 54237 [<a href="#">link to Govt. Code section 54237</a>], an occupant is a tenant of record whose name appears on a signed Caltrans lease or rental agreement for the property.</p>
<p>Q8. The statute (Government Code Section 54237) gives priority to tenants or former tenants “in good standing.” If I am a current or former tenant, how do I know if I’m in good standing?</p>	<p>Current tenants or occupants are considered “in good standing” if they are current in their rent obligations and in full compliance with the terms and conditions of their lease or rental agreement.</p> <p>Former tenants are considered “in good standing” if they were current in rent obligations and in full compliance with the terms and conditions of their lease or rental agreement at the time of vacancy, and their tenancy was not terminated for cause.</p>
<p>Q9. When will the <b>fair market value</b> of the properties be available?</p> <p>For persons and families eligible to purchase at an affordable price, when will the <b>affordable price</b> of the property be determined?</p> <p>When will the <b>reasonable price</b> for the</p>	<p>Appraisals of the properties will begin after the properties have been declared excess. <b>Fair market value</b> will be determined from the appraisals.</p> <p>The <b>affordable price</b> will be determined based on the income levels outlined in the proposed Affordable Sales Program regulations.</p> <p>The <b>reasonable price</b> will be determined based on the</p>

<p>properties offered to housing related public and private entities be determined?</p>	<p>proposed Affordable Sales Program regulations.</p>
<p>Q10. How does the "as is" condition affect the price of the property?</p> <p>Will the "as is" condition reduce the affordable price?</p> <p>Can the "as is" price be less than the affordable price?</p>	<p>The existing "as is" condition of the property takes into account any repairs required to make the property safe and habitable. The cost of these repairs is reflected in the appraised fair market value for these property sales pursuant to Government Code section 54236(f) [<a href="#">link to Govt. Code section 54236</a>].</p> <p>No, the "as is" condition will not reduce the affordable price. The affordable price, determined pursuant to California Code of Regulations Title 25 section 6924 et seq [<a href="#">link to CCR Title 25 section 6924 et seq</a>], is based on household income. The affordable price will not be greater than the fair market value and is not related to, nor will it be reduced to reflect, the "as is" condition of the property.</p> <p>Yes, the "as is" price could be less than the affordable price if the appraised fair market value is less than the affordable price, which is based on household income as determined pursuant to California Code of Regulations Title 25 section 6924 et seq [<a href="#">link to CCR Title 25 section 6924 et seq</a>].</p> <p>.</p>
<p>Q11. How will vacant lots and commercial properties be sold?</p>	<p>Caltrans may offer to sell these properties pursuant to the Streets and Highways Code section 118.6 [<a href="#">link to Sts. &amp; Hy. Code Section 118.6</a>], which allows properties to be offered by auction, sealed or continuous bid to the public, or by sale or exchange to public agencies.</p>
<p>Q12. What residences can be purchased by housing entities?</p>	<p>Housing entities will have priority to purchase the multi-family residential properties and single-family residential properties that were not sold to either the former owners, or to present occupants who qualified to purchase at affordable prices according to Government Code section 54237 [<a href="#">link to Govt. Code section 54237</a>].</p>
<p>Q13. What is the deed restriction in the proposed regulations?</p>	<p>The proposed regulations include a 30-year deed restriction for homes purchased at less than fair market value. During this period, the residential property must remain as affordable housing and cannot be sold at its fair market value or rented at above affordable rental rates.</p>

<p>Does the deed restriction in the proposed regulations apply to homes purchased at fair market value?</p>	<p>No, a deed restriction in the proposed regulations does not apply to homes purchased at fair market value.</p>
<p>Q14. Will monitoring for compliance of Director’s Deed terms, conditions and restrictions be required for homes sold at less than fair market value?</p>	<p>Yes, properties sold at less than fair market value will have Director’s Deed terms, conditions and restrictions.</p> <p>The state will be monitoring these properties to ensure that the owners maintain compliance with these Director’s Deed terms, conditions and restrictions. These terms, conditions and restrictions are currently being developed based on Housing and Community Development recommendations.</p>

IV. Homebuyer Assistance and Financing

<p>Q1. Will Caltrans offer any assistance to prospective buyers?</p>	<p>Caltrans is working with other agencies to assist prospective buyers in navigating the purchasing process, but Caltrans is not a residential lender and will not be providing financial assistance.</p>
<p>Q2. Will tenants who have low credit scores, or who filed bankruptcy, be able to purchase?</p>	<p>Prospective buyers should work with lenders to assess their creditworthiness and determine if they will be able to obtain financing for a purchase.</p>
<p>Q3. How will my income level be determined?</p>	<p>Caltrans will use the California Code of Regulations, Title 25, section 6924 <a href="#">[link to CCR Title 25 section 6924 et seq]</a> that defines the income limits for very low, low, and moderate income households, and area median income per county. Specific limits are found at: <a href="http://www.hcd.ca.gov/hpd/hrc/rep/state/inc2k14.pdf">http://www.hcd.ca.gov/hpd/hrc/rep/state/inc2k14.pdf</a></p>
<p>Q4. Can an outside partner assist in purchasing a residential property at an affordable price?</p>	<p>Prospective buyers can use a co-mortgagor or co-signer to assist in qualifying for financing or purchasing a residential property.</p> <p>All mortgagors (including co-mortgagors) will be required to meet all of the CalHFA eligibility requirements and must qualify under the priority at which the property will be purchased.</p> <p>For more information, please see:</p>

	<a href="http://www.calhfa.ca.gov/homeownership/bulletins/manual.pdf">www.calhfa.ca.gov/homeownership/bulletins/manual.pdf</a>
Q5. How will Caltrans determine household income for affordable sales qualification purposes when household income fluctuates?	Caltrans will determine household income for residential property sales at the affordable price based on the current household income for the 12 months prior to the time of the offer to purchase.

V. SR 710 Project

Q1. When will the preferred alternative be selected?	This is dependent on when the Final Environmental Document is signed and approved. Metro and Caltrans announced in a May 2, 2014 press release that the Draft Environmental Document is planned for circulation in February 2015. It is not yet determined when the final alternative will be selected.
Q2. Who will select the final alternative?	Caltrans is the Lead Agency for the SR-710 Environmental Impact Report (EIR)/Environmental Impact Study (EIS). Caltrans has been assigned the National Environmental Policy Act authority by the Federal Highway Administration. The preferred alternative will depend on the Final Environmental Document and the review process conducted jointly by Metro and Caltrans. The District Director of Caltrans District 7 will make the final decision on the selection of the preferred alternative.

VI. Property Management and Tenant Assistance

Q1. Who at Caltrans will manage the Rehabilitation Fund created by SB416 to pay for repairs required by lenders and government housing assistance programs?	The state will manage the Rehabilitation Fund.
Q2. What happens if I don't purchase the home I'm renting? Do I have to move?	Caltrans will provide notice to the tenant that the property has been sold. Then the tenant will need to contact the new homeowner in regards to moving or renting the property. Government Code section 54238.3 <a href="#">[link to Govt. Code section 54238.3]</a> provides for limited relocation assistance benefits for current tenants who have been tenants for at least 90 days prior to when the property was declared surplus and who cannot afford to purchase the home and have to move because the home is sold to another party.

Q3. What type of assistance will be given to tenants who will have to move?	Caltrans will provide relocation advisory assistance and will provide up to \$5,250 as a replacement housing payment that can be used to supplement rent at a new residence or be applied as a down payment on the purchase of replacement housing.
Q4. If my residence is sold, when will my lease be terminated?	All leases will be terminated upon sale of property.
Q5. What happens to the rental deposit if a tenant purchases a residential property?	The rental deposit, less any deductions determined at the termination of the rental agreement, will be returned to the tenant.