

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: July 13-14, 2005

Reference No.: 2.4d.(2)
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Bimla G. Rhinehart
Division Chief
Right of Way and Land Surveys

Ref: **DIRECTOR'S DEEDS**

RECOMMENDATION:

The Department of Transportation (Department) recommends the California Transportation Commission authorize the execution of the attached Director's Deed. The conveyances of excess State-owned real property, including exchanges, are pursuant to Section 118 of the Streets and Highways Code. This property is being sold pursuant to Government Code Section 54235 et seq. ("Roberti Bill"), and was offered to a qualifying tenant under that statute. The conveyances will include restrictive covenants requiring that the property be used for low- and moderate-income housing for 22 years.

In Government Code Section 54235 et seq., the Legislature found that the disposition of surplus properties owned by public agencies should be utilized to further state policies. It further found that there is a serious shortage of decent, safe, and sanitary housing which persons and families of low or moderate income can afford, and consequently a pressing and urgent need for the preservation and expansion of the low- and moderate-income housing supply. Additionally, it found that highway activities have contributed to the severe shortage of such housing, and that the loss of such housing is a significant environmental effect within the meaning of Article XIX of the California Constitution. The Legislature further found that the sale of surplus residential properties pursuant to Government Code Section 54235 et seq., would mitigate this environmental effect within the meaning of Article XIX of the California Constitution.

The buyer of this property established eligibility under Government Code Section 54235 at a different property, located at 1200 South Pasadena Avenue in Pasadena. The cost of repairs to that property, however, greatly exceeded the value of the property, so the Department offered to sell a substitute property, as authorized by Government Code Section 54237.5.

This property has an estimated current value of \$600,000. The State will receive a return of \$56,500 from the sale of this property. A recapitulation of the item presented follows (map attached):

01-07-LA-710-PM 31.1
Disposal Unit DD 980523-01-01
Convey to Harry E. Nickelson

South Pasadena
16,073 sf
\$56,500 (Appraisal \$600,000)

Direct sale to present tenant. This property is being sold to a household of low- or moderate-income, as authorized by Government Code 54235, et. seq. (Senate Bill 86, Chapter 1116 of 1979 Statutes). Some of the requirements and terms of the sale, however, have been changed in settlement of "Nickelson v. People of the State of California." Under the terms of that settlement, the sales price is equal to the original acquisition price of \$56,500. The buyer will purchase the property in "as-is" condition and not require the Department to conduct any repairs. The settlement is in the best interest of the Department.

Attachments

**SUMMARY OF DIRECTOR'S DEEDS 2.4d.(2)
PRESENTED TO CALIFORNIA TRANSPORTATION COMMISSION - JULY 2005**

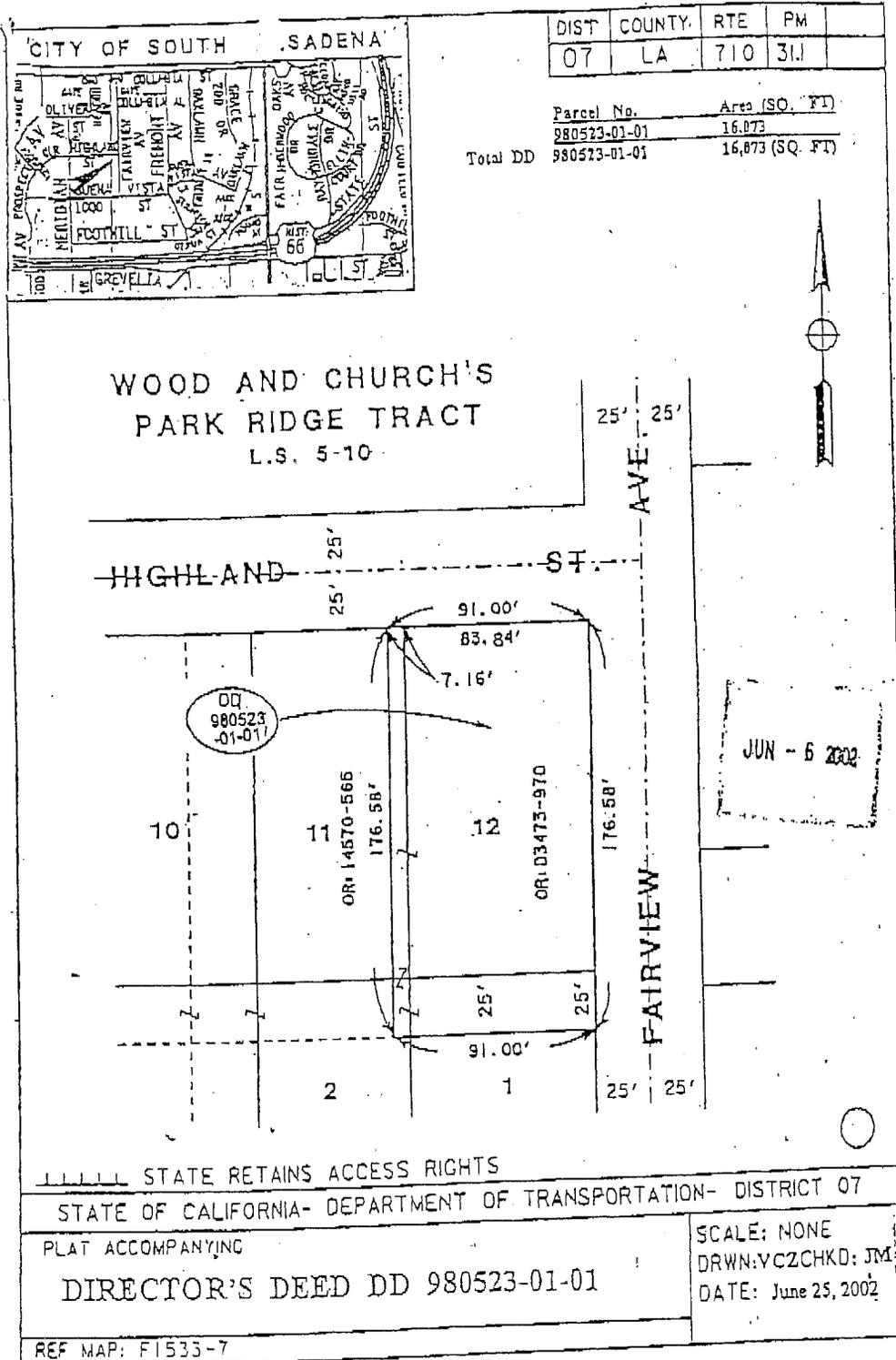
Table I - Volume by Districts

District	Direct Sales	Public Sales	Non-InVENTORY Conveyances	Other Funded Sales	Total Items	Current Estimated Value	Return From Sales	Recovery %	
								From Sales	Current Value
01					0	\$0	\$0		
02					0	\$0	\$0		
03					0	\$0	\$0		
04					0	\$0	\$0		
05					0	\$0	\$0		
06					0	\$0	\$0		
07	1				1	\$600,000	\$56,500		9%
08					0	\$0	\$0		
09					0	\$0	\$0		
10					0	\$0	\$0		
11					0	\$0	\$0		
12					0	\$0	\$0		
Total	1	0	0	0	1	\$600,000	\$56,500		9%

Table II - Analysis by Type of Sale

Type of Sale	# of Items	Current Estimated Value	Return From Sales	Recovery %	
				From Sales	Current Value
Direct Sales	1	\$600,000	\$56,500		9%
Public Sales	0	\$0	\$0		
Non-InVENTORY Conveyances	0	\$0	\$0		
Sub-Total	1	\$600,000	\$56,500		9%
Other Funded Sales	0	\$0	\$0		
Total	1	\$600,000	\$56,500		9%

PLAT - DIRECTORS DEED DD 980523-01-01



1033 HIGHLAND STREET, SOUTH PASADENA