

HRE Questions and Answers

Q1. Where can a copy of the Confidentiality Agreement be accessed?

Veterans Realty Group (VRG) will email the Confidentiality Agreement to Housing Related Entities (HRE) prior to requesting bids. The Confidentiality Agreement must be signed and returned for an HRE to be included in the email distribution seeking bid proposals.

Q2. How many properties are available for purchase and when will the open house schedule be available?

Caltrans anticipates offering 29 properties with open houses scheduled in early December.

Q3. What Area Median Income (AMI) levels are classified as “low income” and “moderate income” for the State Route 710 Sales Program?

In Los Angeles County, Low Income is 50-80% AMI and Moderate Income is 80-120% AMI.

Q4. How is the Reasonable Price calculated?

There is no Reasonable Price calculation for properties offered under section 1485 of the SR 710 Sales Program regulations (Priority 5). The properties will be sold at the Reasonable Price, which for Priority 5 sales will be set at the Minimum Sales Price. The Minimum Sales Price is defined as the price the Department paid for the property without any inflation adjustment. There is no competitive advantage for bidding higher than the Minimum Sales Price.

Q5. Have properties for Priorities 1-4 been exhausted?

Yes. Properties must proceed through the priority waterfall prior to being offered under Priority 5.

Q6. If properties from Priorities 1-4 are still available, will those properties be available to HREs?

Properties not sold at a specific priority will proceed through the waterfall as identified in sections 1477.1, 1477.2, and 1477.3 of the SR 710 Sales Program regulations.

Q7. Will the available properties include home values? What determines the value of each home?

No, the value of the homes will not be included with the Notice of Solicitation and Caltrans will not provide property appraisals.

Q8. If properties are sold at Fair Market Value or above, are use and resale restrictions required?

Use and Resale Restrictions are not required for properties sold at fair market value. However, properties offered to HREs are sold at a Reasonable Price in “as-is” condition and there is no opportunity for HREs to purchase at fair market value.

Q9. Is there a difference between Fair Market Value and the Reasonable Price?

Yes. Fair Market Value is defined in section 1476(a)(8) and Reasonable Price is defined in section 1476(a)(22) of the SR 710 Sales Program regulations. The Reasonable Price is significantly less than the Fair Market Value. The Reasonable Price for properties offered under Priority 5 is set at the price the Department paid for the property.

Q10. Are available properties sold “as-is”?

Yes. All properties sold to HREs are sold “as-is” and without warranty.

Q11. How is the winning bidder determined?

Bids will be evaluated based on the criteria outlined in section 1485(e) of the SR 710 Sales Program regulations. Section 1485(e)(3) indicates there is a preference to provide affordable housing for lower income households. Therefore, a bid targeting 80% of AMI will be viewed more favorably than a bid targeting 120% of AMI.

Q12. Are HREs allowed to finance the purchase?

Yes, financing is permitted and will be considered when evaluating bid submittals under section 1485(e)(7) of the SR 710 Sales Program regulations. Project readiness relates to the HRE's ability to perform and whether the HRE can secure financing or have a commitment of funds for both the purchase and rehabilitation of the property.

Q13. Are HREs required to hire their own realtor or is VRG responsible for all sales?

No broker/realtor is required. HREs may hire a realtor at their own expense.

Q14. How many properties will be offered in this round?

Caltrans will be releasing 29 properties of which 8 are vacant and 21 are occupied.

Q15. Does the bid require a complete plan for remodel or renovation of the property?

Complete plans for rehabilitating a property are not required for bid submittal. Please review section 1485(d)(5) which states that cost estimates and timeframes for rehabilitation plans are to be included with bid submittal.

Q16. Are electronic copies of past winning bid proposals available on the website?

No. Caltrans will not be providing copies of past winning bid proposals.

Q17. What are the lowest and highest sold prices in prior HRE sales?

There are no low and high bids as prices are set at the Reasonable Price. The Reasonable Price for each property will be provided when VRG sends an email seeking bid proposals.