

## **Frequently Asked Questions (FAQs)**

### **State Route 710 Sales Program Regulations**

The Department of Transportation (Caltrans) is preparing to submit proposed emergency regulations with the Office of Administrative Law (OAL) to implement Senate Bill (SB) 381 (Portantino, 2021), which is specific to properties located in the City of South Pasadena. These FAQs address some of the more common questions regarding the State Route (SR) 710 Sales Program and the emergency regulatory process.

#### **Q1: When will sales begin in South Pasadena?**

Caltrans anticipates starting sales this year, beginning with unoccupied properties shortly after adoption of the SB 381 emergency regulations. Occupied property sales could begin as early as Summer 2022 through 2023 in phases (see Q7).

#### **Q2: When will Caltrans file the SB 381 emergency regulations with the Office of Administrative Law (OAL)?**

Caltrans anticipates mailing the Notice of Proposed Emergency Rulemaking in March, which officially begins the emergency rulemaking action. An emergency rulemaking action provides OAL with a 10-calendar day review period.

#### **Q3: Will the public have sufficient time to review the proposed emergency regulations?**

SB 381 declared that an emergency exists due to the state's homelessness crisis and requires Caltrans to file emergency regulations with OAL within six months of enactment of the bill. The emergency rulemaking process requires Caltrans to mail a Notice of Proposed Emergency Rulemaking at least five working days prior to the filing of the rulemaking action with OAL. Caltrans will make every effort to provide more than the required five working days.

#### **Q4: Will the public have more time to provide public comments?**

The Administrative Procedures Act requires a 5-calendar day public comment period once an emergency action is filed with OAL. This 5-day period is set by law and cannot be extended.

#### **Q5: Is Caltrans planning to offer unoccupied properties first; similar to the strategy with SB 51 properties?**

Yes. Caltrans will start the sales of unoccupied properties first in order to expand the availability of affordable housing along the SR 710 corridor and to meet the

requirements of SB 381, which requires Caltrans to commence sales of unoccupied properties prior to June 30, 2022. Caltrans will strive to offer both vacant and occupied properties simultaneously.

**Q6: When can occupants of single-family properties in South Pasadena expect to receive a Notice of Solicitation?**

Occupants of single-family properties will likely begin receiving Notices of Solicitation starting as soon as Summer 2022 through 2023 in phases as indicated in the next question.

**Q7: Will all occupants and tenants receive a Notice of Solicitation at the same time?**

No. Due to the number of properties in the SR 710 corridor it is not feasible to release all properties simultaneously. Caltrans is proposing to release properties first to those occupants and tenants with tenancies exceeding 25 years. Each release will contain 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.

**Q8: How does SB 381 impact my priority status for purchasing my rental property?**

SB 381 provides occupants and tenants residing in South Pasadena the first opportunity to purchase the property they rent regardless of income and prior to the property being offered to Housing Related Entities (HRE). Occupants meeting income and occupancy criteria specified in the regulations will be eligible to purchase at an Affordable Price. And tenants who have occupied a home for 5 years or more will be eligible to purchase at fair market value. Properties not purchased by occupants or tenants will then be offered to the City of South Pasadena and then to other HREs. If a property is not purchased by an HRE, the current tenant (regardless of occupancy term) will have another opportunity to purchase the property prior to the property going to auction.

**Q9: How do I obtain financing, and will I be required to make a down payment?**

Typically, homes are financed through banks or mortgage companies. Obtaining a loan requires verification of your income and an evaluation of your expenses to determine your ability to make the monthly mortgage payment. Your credit score and credit history are also factors. For low- and moderate-income borrowers, once your eligibility to participate in the SR 710 Sales Program is determined, you will receive further information regarding available loan products that may be available through the California Housing Finance Agency. While you may pursue your own financing, the California

Housing Finance Agency is familiar with the SR 710 Sales Program and can answer questions regarding financing. More information from the California Housing Finance Agency will be forthcoming soon.

**Q10: If Caltrans determines that a tenant is eligible to receive a sales contract does that mean the tenant is qualified for a loan to purchase the home?**

No. Eligibility to participate in the SR 710 Sales Program is separate from a tenant's ability to qualify for financing.

**Q11: Does my credit score matter?**

Yes. There are many loan products on the market and each product may require a minimum credit score. A knowledgeable loan officer can assess your financial situation and tell you what credit score you need to qualify for their specific loan products.

**Q12: What happens to occupants and tenants in South Pasadena who are ineligible to buy at an affordable price, and cannot afford purchasing at fair market value?**

Occupants and tenants who do not purchase will have first right of occupancy to continue renting the property if the property is sold to the City of South Pasadena or a housing-related entity. If the buyer is a former tenant, or if the property is sold at public auction, an occupant or tenant may be required to move. Caltrans will provide advance notice and relocation assistance to eligible, displaced tenants.

**Q13: Who has priority to purchase unoccupied properties in South Pasadena?**

Unoccupied properties in South Pasadena—whether designated historic or not—will first be offered to the City of South Pasadena. If not purchased by the City, then the properties will next be offered to other housing related entities, followed by current tenants and former tenants. Any remaining properties will then be sold at auction pursuant to Streets and Highways Code § 118.

**Q14: Where can I get more information?**

For additional FAQs and more information please visit the SR 710 Sales Program website at <https://dot.ca.gov/710homes>, or call the SR 710 hotline at (213) 897-8184.