

# Agenda Report

February 6, 2017

**TO:** Honorable Mayor and City Council

**FROM:** Housing and Career Services Department

**SUBJECT: ADOPTION OF A RESOLUTION DESIGNATING THE CITY OF PASADENA AS A HOUSING-RELATED PUBLIC ENTITY IN CONNECTION WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION DISPOSITION PROCESS FOR SR-710 SURPLUS PROPERTIES**

**RECOMMENDATION:**

It is recommended that the City Council take the following actions:

1. Find that the recommended action to adopt the subject resolution is exempt from the California Environmental Quality Act ("CEQA"), pursuant to State CEQA Guidelines per Section 15061 (b)(3), the "General Rule" that CEQA only applies to projects that may have an effect on the environment; and
2. Adopt a Resolution designating the City of Pasadena as a housing-related public entity in connection with the disposition process administered by the California Department of Transportation for state-owned SR-710 surplus properties.

**BACKGROUND:**

The California Department of Transportation ("Caltrans") holds deeds to 460 properties located along the State Route 710 right-of-way ("SR-710") corridor in Pasadena, South Pasadena, and the El Sereno area of the City of Los Angeles. Of this inventory, 126 properties are located in Pasadena.

On July 25, 2016 the State of California adopted the Affordable Sales Program Regulations (the "Regulations", contained in Title 21 Public Works Division 2, Department of Transportation Chapter 9.5). The Regulations set forth the requirements and provisions of the disposition process for Caltrans-owned surplus properties along the SR-710 corridor. Caltrans officially began the process of selling SR-710 surplus properties on December 16-18, 2016. The sale of properties is planned in three phases. The first phase ("Phase 1") consists of 42 properties located in El Sereno, Pasadena, and South Pasadena that are declared by Caltrans as surplus/excess (i.e., no longer necessary for the SR-710 extension project), and is expected to take one year. Three of the Phase 1 properties are in Pasadena:

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Address	Property Type	Occupied?	Historic?
268 Waverly Dr.	Single-Family Residence	No	No
385 Havendale Dr.	Single-Family Residence	Yes	No
265 Waverly Dr.	Single-Family Residence	Yes	No

Pursuant to the Regulations, Caltrans will make offers to sell surplus residential property in the following order of priority:

**Priority #1:** All single-family residences occupied by their former owners.

**Priority #2:** All single-family residences occupied by Low- or Moderate-income tenants who have resided there for at least two years, and who have not owned a home in the last three years.

**Priority #3:** All single-family residences occupied by tenants who have resided there for at least five years and whose income is greater than Moderate income but does not exceed 150% of the area median income, and who have not owned a home in the last three years.

**Priority #4:** All other surplus residential properties (including multifamily properties), and all properties described under Priority #1, #2 and #3 that are not purchased, shall then be offered to and in the following order of priority:

- (i) Housing-related private and public entities on condition that the purchasing entity cause the property to be rehabilitated and developed as a limited equity housing cooperative, with first right of occupancy to current tenants (if any).
- (ii) If (i) is not feasible, then the property shall be offered to a housing-related public entity as designated by the legislative body of the city in which the property is located, with first right of occupancy to current tenants (if any).
- (iii) If (ii) is not feasible, then the property shall be offered to any housing-related private or public entity on condition the purchasing entity shall cause the property to be used for Low- and Moderate-income rental or owner-occupied housing, with first right of occupancy to the current tenants (if any).

Staff will evaluate properties located in the City for potential acquisition. Properties that are offered by Caltrans to former owners and tenants in Priority #1, #2 and #3 but not sold will then be offered to housing-related entities at which time Caltrans will provide further information on such properties. The deadline to submit a conditional offer to Caltrans on any Phase 1 property is April 17, 2017. The second phase of the Caltrans sale process is anticipated to occur in 2017 – 2020. Caltrans has not yet determined the timeframe for the third phase of the sale process.

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In order for the City to acquire any SR-710 surplus property for potential use as affordable housing, Section 1476(g) of the Regulations requires the City to adopt a resolution designating itself as a "Housing-Related Public Entity". Designation of the City as such does not commit the City to acquire any SR-710 surplus property which may be offered by Caltrans, but it preserves the City's option to do so.

**COUNCIL POLICY CONSIDERATION:**

The staff recommendation is consistent with the City Council Strategic Plan goal to support and promote the quality of life and the local economy.


**ENVIRONMENTAL ANALYSIS:**

The action proposed herein is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061 (b)(3), the "General Rule" provision of CEQA which applies to projects which may have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that an activity may have a significant effect on the environment, the activity is not subject to CEQA. The adoption of the subject resolution to designate the City as a Housing-Related Public Entity would not have a significant effect on the environment and, hence, is not subject to CEQA.

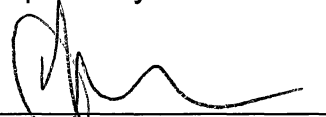
**FISCAL IMPACT:**

Approval of the City's designation as a housing-related public entity will have no operational or fiscal impact. Should staff decide to pursue the acquisition of any SR-710 surplus property offered by the state, staff will bring a recommendation to the City Council containing the business points of the proposed transaction, including a request for budget authority.

Respectfully submitted,

  
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