



## Summary of Senate Bill 416 - North 710 Corridor Surplus Property Sales

### Overview:

- On October 1, 2013, Governor Jerry Brown signed into law SB-416, the North 710 Corridor Surplus Property Sales bill authored by Senator Carol Liu (D-La Canada Flintridge) and co-authored by Assemblymembers Mike Gatto (D-Silver Lake) and Chris Holden (D-Pasadena).
- The bill expedites the sale by Caltrans of more than 500 houses no longer needed to construct the North 710 freeway. The bill also specifies that the properties be declared surplus and that they be offered for sale first at an affordable price to eligible tenants and then to an affordable housing entity. Remaining properties are to be sold at fair market value.
- As amended, SB 416 retains Caltrans' authority to offer a replacement dwelling, revises the definition of "fair market value" to reflect the existing "as is" condition of the property, and relieves Caltrans from the requirement to make repairs prior to sale upon agreement with the buyer.
- The legislation provides that funds from the sale of Caltrans 710 properties be deposited in the SR-710 Rehabilitation Account, which shall be maintained at \$500,000 and continuously appropriated for the purpose of making required repairs until all required repairs are performed.
- After payment for the last of the required repairs to 710 properties is made, all remaining Rehabilitation Account funds would be transferred to the State Highway Account and made available for eligible projects in the cities of Pasadena, South Pasadena, Alhambra, La Canada Flintridge, and the community of El Sereno in the City of Los Angeles.

### Timeline:

10/1/13- Signed by Governor and filed with Secretary of State

9/10/13- Passed by CA Senate (38-0)

9/6/13- Passed by Assembly (77-0)

4/23/13 Passed by Senate Transportation and Housing (11-0)

### Summary:

Existing law establishes priorities and procedures that any state agency disposing of surplus residential property is required to follow including "fair market value." This bill would revise the definition of "fair market value" for purposes of the sale of this surplus residential

property, to reflect the existing “as is” condition of the property, taking into account any needed repairs.

Existing law also requires specified single-family residences to be first offered to their present occupants, at an affordable price, as defined. The selling agency has the option of making repairs to the property required by lenders or government assistance programs, or providing the occupants with a replacement dwelling, pursuant to a specified provision of law. This bill would revise the procedures applicable to the sale of these surplus residential properties not otherwise sold pursuant to existing procedures, to be offered to current and former tenants in good standing, respectively, and to purchasers who will be owner occupants. The bill additionally would require the selling agency to offer tenants in good standing of nonresidential properties to be given priority to purchase the property they occupy. The bill would authorize the Department of Transportation to offer a residence or property in an “as is” condition, at the request of a person with priority to purchase the residence or property in accordance with existing law.

SB 416 requires that proceeds from sales of surplus residential property be placed in a SR-710 Rehabilitation Account created by the bill, and that these funds be continuously appropriated for the purpose of providing specified repairs to the properties until the last of the properties is repaired at which time the funds, less any reimbursements due to the federal government, would be transferred to the State Highway Account, for allocation by the California Transportation Commission, as specified.

This bill provides that the preliminary project alternative, Alternative F-6 in the December 2012 Alternative Analysis, shall no longer be deemed a feasible alternative for consideration in any state environmental review process for the Interstate 710 North Gap Closure project, as specified.

**References:**

Singh, Ajay. “Senator Liu's 710 Freeway Properties Bill Sent to Governor.” *South Pasadena Patch.*, 10 Sept. 2013. Web. 8 Oct. 2013. <http://southpasadena.patch.com/groups/politics-and-elections/p/senator-lius-710-freeway-properties-bill-sent-to-governor>.

“Senate Bill No. Chapter 468” California Legislative Information. Nd. Web. 4 Oct. 2013. [http://leginfo.ca.gov/faces/billTextClient.xhtml;jsessionid=5c82f256d9253d2e4326c4312ddf?bill\\_id=201320140SB416](http://leginfo.ca.gov/faces/billTextClient.xhtml;jsessionid=5c82f256d9253d2e4326c4312ddf?bill_id=201320140SB416).