



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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FESIA A. DAVENPORT  
Chief Executive Officer

March 30, 2021

To: Supervisor Hilda L. Solis, Chair  
Supervisor Holly J. Mitchell  
Supervisor Sheila Kuehl  
Supervisor Janice Hahn  
Supervisor Kathryn Barger

From: Fesia A. Davenport  
Chief Executive Officer

Board of Supervisors  
HILDA L. SOLIS  
First District

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Second District

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Fifth District

## **SUPPORTING STATE PROPOSALS TO EXPAND AND PRESERVE AFFORDABILITY FOR SR-710 CORRIDOR PROPERTIES (ITEM NO. 62-A, AGENDA OF DECEMBER 8, 2020)**

On December 8, 2020, the Board of Supervisors (Board) adopted a Motion (Motion) introduced by Supervisor Solis directing: 1) the County of Los Angeles' (County) Sacramento advocates to support proposals that would enable the County to acquire properties owned by Caltrans for the SR-710 North Project and to preserve them as long-term affordable housing; and 2) the Chief Executive Officer to report back in writing to the Board in 30 days to identify various County funding sources, including, but not limited to the Affordable Housing Trust Fund, and the \$7.2 million transferred to the Affordable Housing Trust Fund on August 4, 2020 from unclaimed funds collected by the Treasurer Tax Collector (TTC) to acquire properties owned by Caltrans.

In response to the first directive of the Motion, the County's Sacramento advocates submitted an advocacy letter stating the Board supports Senate Bill 51 (Durazo). The letter explained that SB 51 would provide current tenants of the SR-710 surplus residential properties an opportunity to purchase those properties or to allow the City of Los Angeles, nonprofits, or housing-related entities to purchase the properties with the intent of using them for affordable housing purposes. This memorandum responds to the second directive of the Motion and outlines the County's Affordable Housing Program Budget Unit and assesses the availability of potential Federal funding sources. In addition, this memorandum provides an update on recent action taken by the Los Angeles City Council to negotiate leases to eventually purchase vacant homes owned by Caltrans along the SR-710 corridor.

## **BACKGROUND**

Currently, Caltrans owns over 400 properties in the SR-710 corridor, including 330 single-family homes and 103 multi-family units of which 163 are vacant. Caltrans tenants have raised concerns about the lack of proper maintenance of the state-owned properties. Many of the residential properties have been deemed uninhabitable and are subsequently vacant due to lack of upkeep. Caltrans has stated that these homes were rented on a temporary basis and were expected to be razed upon construction for the freeway; thus, long-term improvements for these homes were not a necessary expense. For years, the community of El Sereno, in the City of Los Angeles (City), has experienced rising housing costs and displacement pressures, and properties along the SR-710 corridor present an opportunity to make these underutilized parcels available for affordable housing. The Motion supports legislation that moves ownership away from Caltrans, secures long-term affordability for homes in El Sereno, and prioritizes community outreach for the use of these parcels.

### ***Los Angeles City Council Action***

On March 3, 2021, the Los Angeles City Council voted to instruct the City to negotiate leases to eventually purchase vacant homes owned by Caltrans along the SR-710 corridor.<sup>1</sup> Introduced by Councilmember Kevin de Leon (Council District 14), the City Council's motion directed the chief legislative analyst to evaluate funding availability for leasing, community outreach and the purchase of all properties identified as suitable for housing or other community uses. Further, the City's motion directed the Los Angeles Housing and Community Investment Department to begin negotiating leases with Caltrans for all of the vacant homes, and the Housing Authority of the City of Los Angeles, in coordination with the Los Angeles Homeless Services Authority, was requested to begin housing tenants in each unit within 15 days after they are deemed habitable, with priority given to El Sereno's unhoused residents.

### ***Meeting with City of Los Angeles and Next Steps***

On February 3, 2021, the Chief Executive Office and Los Angeles County Development Authority convened a call with the City of Los Angeles Mayor's Office, Councilmember De Leon's Office, and the Los Angeles Housing and Community Investment Department (City team) to discuss use of the City's U.S. Department of Housing and Urban Development (HUD)-administered Community Development Block Grant (CDBG) funding for the potential project. On the call, the City team explained that Community

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<sup>1</sup> [https://clkrep.lacity.org/onlinedocs/2020/20-1552\\_mot\\_12-01-2020.pdf](https://clkrep.lacity.org/onlinedocs/2020/20-1552_mot_12-01-2020.pdf)

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Development Block Grant funds are a potential funding source for FY 2021-22. Further, the City team shared their plans for continued comprehensive engagement with the community to learn how best to meet their affordable housing needs and preferences.

Moving forward, the County and City agreed to continue to collaborate on public outreach and information gathering to understand the community's needs in order to develop a community-wide strategy for the vacant properties along the SR-710 corridor.

***County's Affordable Housing Program Budget***

In light of SB 51 and the City's effort to secure occupancy of Caltrans-owned properties in El Sereno, we recommend continuing to work with the City on a solution that promotes the use of the SR-710 properties for affordable housing. Although there are unallocated Affordable Housing Program Budget Unit funds available for Fiscal Year (FY) 2021-21, as is the practice to determine the allocation of these funds, the Chief Executive Office will discuss potential uses with each Board Office to determine their funding priorities, including efforts such as this to convert underutilized properties to affordable housing. Further, we concluded that federal CDBG or HOME funds allocated to LACDA are not available to acquire property in the City, which receives its own federal funding allocation.

Should you have any questions concerning this matter, please contact me or Allison E. Clark, Senior Manager at (213) 974-8355 or [allison.clark@ceo.lacounty.gov](mailto:allison.clark@ceo.lacounty.gov).

FAD:JMN:AEC  
JO:VD:LL:acn

c: Executive Office, Board of Supervisors  
County Counsel  
Los Angeles County Development Authority  
Mayor Eric Garcetti, City of Los Angeles  
Councilmember Kevin de León, City of Los Angeles  
City of Los Angeles Housing and Community Investment Department