

# LAW OFFICE OF GILBERT SAUCEDO

1150 South Olive St., Suite 600 • Los Angeles, CA 90015

Tab 64

January 23, 2024

Douglas Remedios  
douglas.remedios@catc.ca.gov

**RE: 2.4d.(3), Action Item, CONVEYANCE OF EXCESS STATE-OWNED REAL PROPERTY – ROBERTI ACT PASADENA FRIENDSHIP COMMUNITY DEVELOPMENT CORPORATION**

Dear Commissioners,

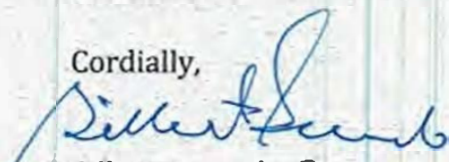
On behalf of United Caltrans Tenants, I urge you to delay or postpone the approval of the sale of 626 Prospect Ave in South Pasadena to Pasadena Friendship Baptist Community Development Corporation.

As the attached amicus brief makes clear, the tenants of 626 and other Caltrans-owned properties in the 710 corridor have serious concerns over this particular transaction and the precedent that it sets for subsequent 710 sales. The sale to Friendship Baptist fails to protect the long-term interests and wellbeing of Caltrans tenants, as Friendship Baptist have seriously underestimated the cost of repairing the units at 626. The lawsuit over this sale revealed that Friendship Baptist's per-unit rehabilitation cost estimate was \$29,150, while the competing bid, involving Heritage Housing Partners, tenants of 626, and supported by the City of South Pasadena, was \$114,000. In addition, these estimates are now 4 years old and construction costs have gone up nearly 40%. With such a wide discrepancy, serious questions emerge. Caltrans has already seriously damaged the apartment building through decades of deferred maintenance. Tenants fear that a pattern of underfunded, poor building maintenance will simply continue under new management if this sale is approved by the Commission.

For their part, Friendship Baptist have failed to adequately account for how they will repair and maintain the units to an acceptable standard. Despite communicating to tenants at 626 that more money would be spent than originally stated, Friendship Baptist has provided no comprehensive or transparent evidence to support these claims.

As the brief argues, tenants have been completely excluded from a process that could permanently determine the habitability of their homes. Their concerns are valid and should be given the time and consideration necessary to determine the best path forward for 626 and for the sales program in general, which should warrant close scrutiny by this commission.

Cordially,



Gilbert Saucedo, Esq.

1 LAW OFFICE OF CHRISTOPHER SUTTON  
2 CHRISTOPHER SUTTON, State Bar Number 116284  
3 586 La Loma Road  
4 Pasadena, California 91105-2443  
5 Telephone; 626-683-2500  
6 email: christophersutton.law@gmail.com

7 Attorney for proposed *Amicus Curiae*,  
8 SAM BURGESS, ROBERTO FLORES,  
9 and TIMOTHY IVISON

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**COUNTY OF LOS ANGELES**  
**CENTRAL DISTRICT, STANLEY MOSK COURTHOUSE**

11 CITY OF SOUTH PASADENA, and SOUTH  
12 PASADENA HOUSING AUTHORITY,  
13 Petitioners and Plaintiffs,

13 vs.

14 CALIFORNIA DEPARTMENT OF  
15 TRANSPORTATION,  
16 Respondents and Defendants,

16 NEW PROSPECT DEVELOPMENT, LLC;  
17 HERITAGE HOUSING PARTNERS;  
18 NEW PROSPECTS HOUSING LLC;  
19 PASADENA FRIENDSHIP COMMUNITY  
20 DEVELOPMENT CORPORATION;  
21 Real Parties In Interest,

20 SAM BURGESS, ROBERTO FLORES,  
21 and TIMOTHY IVISON, individuals,  
22 Proposed Amicus Curiae.

CASE NO. 21STCP01779

EX PARTE APPLICATION  
TO FILE TWO *AMICUS CURIAE*  
LETTERS OF TENANTS;  
DECLARATION OF COUNSEL  
RE GIVING NOTICE; EXHIBITS

EX PARTE HEARING:  
Tuesday, October 24, 2023, 8:30 am  
Department 82  
Judge: Hon. Curtis A. Kin

Next Scheduled Hearing:  
November 7, 2023, 9:30 am  
Department 82  
Judge: Hon. Curtis A. Kin

Prelim. Injunction: July 1, 2021  
Case Filed: June 2, 2021

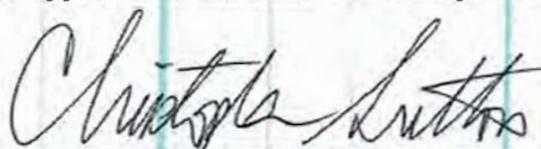
22 **PLEASE TAKE NOTICE**, proposed *Amicus Curiae*, Sam Burgess, Roberto Flores,  
23 and Timothy Ivison hereby apply ex parte for an order to allow the Court to accept and  
24 consider two letters in the form attached hereto and incorporated herein. This *Ex Parte*  
25 application will be heard by the Honorable Curtis A. Kin, Judge, presiding in **Department**  
26 **82, on Tuesday, October 24, 2023 at 8:30 a.m.**, or as soon thereafter as the matter may be  
27 heard at the Los Angeles Superior Court, 8<sup>th</sup> Floor, 111 North Hill Street, Los Angeles,  
28 California 90012. Remote appearances are possible through the Court's web site.



1 The letters are offered in relation to the next schedule hearing on November 7, 2023,  
2 where the Court may consider a trial setting and/or a settlement between the existing parties.  
3 A settlement could impact current and future tenants at 626 Prospect, such as Sam Burgess,  
4 and tenants in Caltrans' over 400 residential units in the SR710 Corridor. Burgess signed one  
5 letter attached as Exhibit 1. Corridor-wide impacts concern the **UNITED CALTRANS**  
6 **TENANTS ("UCT")**. Roberto Flores and Timothy Ivison are members of UCT's steering  
7 committee, and their letter is attached as Exhibit 2. The Court is requested to order that it  
8 will receive and consider these two letters offered as *Amicus Curiae*.

9 Caltrans' approval of a potential sale of 626 Prospect, South Pasadena, to real party  
10 **PASADENA FRIENDSHIP COMMUNITY DEVELOPMENT CORPORATION**  
11 (hereafter "Friendship") could harm the tenants by under-funding the habitability repairs at  
12 the property, needed by over half a century of token maintenance by Caltrans. Such a sale  
13 could harm tenants throughout the SR710 Corridor by approving a "\$30,000 per unit cap" on  
14 repair budgets for buyers of all Caltrans properties. The Caltrans' cap on health and safety  
15 repairs could endanger tenants and also nearby properties and residents. From the two letters  
16 the Court will better understand the issues at stake. The existing parties have not included  
17 tenants in settlement talks or in preparing lists of repairs and repair budgets. There is a wide  
18 gap in the repair budgets of Friendship and the other unsuccessful bidders, real parties **NEW**  
19 **PROSPECT DEVELOPMENT** and **HERITAGE HOUSING PARTNERS** (hereinafter  
20 "Heritage"). The existing parties each have incentives to exclude tenants from this lawsuit  
21 and from the settlement talks. The tenants may be necessary parties. If so, their exclusion  
22 could violate due process protected by the California and U.S. Constitutions. The Court  
23 needs to hear from the tenants via these letters offered as *Amicus Curiae*. All counsel have  
24 been informed of this *ex parte* application more than 24 hours prior to the requested hearing.

25 Dated: October 22, 2023

26 

27 **CHRISTOPHER SUTTON**, attorney for Sam Burgess,  
28 Roberto Flores and Timothy Ivison, proposed amicus curiae

1                                    **DECLARATION OF COUNSEL RE GIVING EX PARTE NOTICE**

2        **Christopher Sutton declares as follows:**

3            1.        I am an attorney duly licensed in the State of California, and I am counsel for  
4        proposed Amicus Curiae Sam Burgess, Roberto Flores, and Timothy Ivison. Unless the  
5        context indicates otherwise, I have personal and first hand knowledge that the facts set forth  
6        in this declaration are true and correct. If called as a witness in this lawsuit, I could and  
7        would testify competently and under oath in the same manner as I do in this declaration.

8            2.        I have represented a great many tenants residing in properties owned by  
9        Caltrans in the SR710 Corridor continuously since 1984 and am familiar with the conditions  
10       of such units. In addition, I have resided my entire life near these Caltrans properties and am  
11       generally familiar with all the properties. I have personally seen each of the properties.

12           3.        Caltrans currently owns over 400 separate properties in the SR710 Corridor,  
13       including single family residences, multi-family properties, vacant lots, and properties rented  
14       to businesses and non-profits entities. Caltrans is currently in the process of selling over 100  
15       of these properties. Caltrans is seeking to established an arbitrary and unjustified “cap” on  
16       maximum repair costs for each dwelling unit of \$30,000. Caltrans seeks to shift the repair  
17       costs away from Caltrans and onto unsuspecting buyers, who may rely on the false Caltrans  
18       estimate of \$30,000 per unit. But then buyers could be forced to incur many times this  
19       amount once they take title and discover the true costs of repairs. Tenants could be left in  
20       unsafe and unhealthy units, with the buyers unable to affords needed repairs. For over thirty  
21       years, Sam Burgess has resided as a tenant of Caltrans at Apt. B, 626 Prospect, South  
22       Pasadena, California 91030. Each of the proposed amicus curiae are aware of this motion.

23                                    **Ex Parte Notice Given to All Counsel of Record.**

24           4.        On Sunday, October 22, 2023, around 7:30 pm, I gave notice of the *ex parte*  
25       hearing herein requested for Tuesday, October 24, 2023, at 8:30 am, in Department 82, of the  
26       Los Angeles County Superior Court, Central District, 8<sup>th</sup> Floor, 111 North Hill Street, Los  
27       Angeles, California, at which time this application will be heard by the Honorable Curtis A.  
28       Kin, judge. I did so by sending an email to all counsel of record in this lawsuit with a true



1 and correct copy of this entire application and its exhibits attached thereto in digital PDF  
2 format. The following counsel of record, each representing the parties shown next to their  
3 names, were given such emailed notice of the *ex parte* hearing:

4 **Counsel Served by Email**

**Representing**

5 a. Kirsten R. Bowman, attorney for  
6 Department of Transportation  
7 100 South Main Street, Floor 13  
8 Los Angeles, California 90012-3727

California Department of Transportation  
Tel: (213) 687-6000  
Email: kirsten.bowman@dot.ca.gov

9 b. Roxanne Margarita Diaz, attorney for  
10 Michael F. Yoshiba, attorney for  
11 Richards Watson & Gershon  
12 350 South Grand Avenue, 37<sup>th</sup> Floor  
13 Los Angeles, California 90071-3101

Petitioners City of South Pasadena and  
South Pasadena Housing Authority  
Tel: (213) 626-8484  
Email: rdiaz@rwglaw.com  
Email: myoshiba@rwglaw.com

14 c. Dario J. Frommer, attorney for  
15 Akin Gump Strauss Hauer & Feld LLP  
16 1999 Avenue of the Stars, Suite 600  
17 Los Angeles, California 90067-4614

Petitioners City of South Pasadena and  
South Pasadena Housing Authority  
Tel: (213) 254-1270  
Email: dfrommer@akingump.com

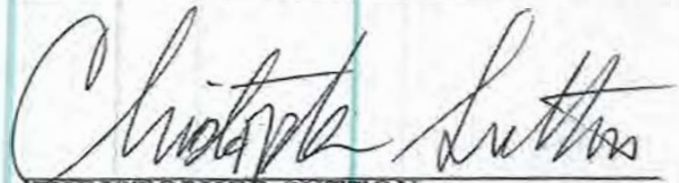
18 d. Daniel M. Shapiro, attorney for  
19 Law Office of Daniel M. Shapiro  
20 1366 East Palm Street  
21 Altadena, California 91001

New Prospect Development; Heritage Housing  
Partners; and New Prospects Housing LLC  
Tel: (626) 398-5137  
Email: dmslawyer@gmail.com

22 e. Wesley T.L. Burrell, attorney for  
23 Munger Tolles & Olson LLP  
24 350 S. Grand Avenue, 50<sup>th</sup> Floor  
25 Los Angeles, California 90017

Pasadena Friendship Community  
Development Corporation  
Tel: (213) 683-9282  
Email: wesley.burrell@mto.com

26 I declare under penalty of perjury under the laws of the State of California that the  
27 foregoing declaration is true and correct and that this was executed at Pasadena, California,  
28 on October 22, 2023.

  
CHRISTOPHER SUTTON

**EXHIBIT 1 - Burgess Letter as *amicus curiae***

## **SAM BURGESS**

626 Prospect Avenue, Apartment B, South Pasadena, California 91030  
Telephone: (213) 372-7677 Email: sburgess1903@gmail.com\

**October 18, 2023**

Honorable Curtis A. Kin, Judge  
Department 82, 8<sup>th</sup> Floor, Room 833  
Los Angeles County Superior Court  
111 North Hill Street  
Los Angeles, California 90012-3014

City of South Pasadena, etc. v. California Department of Transportation, etc.,

LASC Case No.: 21STCP01779

Hearing Date: November 7, 2023, 9:30 AM, Department 82

***Proposed Amicus Curiae re:***

1. Objections to Any Settlement Harming 626 Prospect Avenue Tenants;
2. Support for Permanent Injunction as to sale of 626 Prospect Avenue.

**Dear Honorable Judge Curtis A. Kin:**

My name is Sam Burgess. I reside in Apartment B at 626 Prospect Avenue, South Pasadena, in the property which is the focus of this lawsuit. It is owned by Caltrans. My health and safety are at stake in this lawsuit, depending on whether the buyer of the building has promised adequate funds to make ALL needed health and safety repairs and ensure the property is code-compliant, decent, and safe for all current and future tenants as required for sales under the Roberti Law (Government Code sections 54235 to 54239.5) and the Roberti Regulations (Title 21 C.C.R. sections 1469 to 1491).

I have resided at 626 Prospect for over thirty years and am familiar with the condition of the property. I am a person of Low or Moderate Income as defined in the Roberti Law. I have personal experience in dealing with Caltrans regarding its management of 626 Prospect and the sorry physical state of the property. For many years a majority of the twelve apartments have been vacant and not maintained by Caltrans. The apartments have remained vacant because Caltrans has refused to re-rent the units as tenants moved out. Caltrans has failed to bring the property in compliance with health and safety codes regarding electrical, plumbing, hearing, and mechanical devices. The City of South Pasadena has failed or refused to conduct any code compliance inspections at the property during the thirty years I have resided their. This property was acquired decades ago for a segment of the SR710 Freeway, now cancelled. There are violations of health and safety codes throughout the property, and the City of South Pasadena has failed or refused to conduct a full code inspection during the past thirty years.

**Standing of Sam Burgess**

This SR710 Freeway segment was cancelled in 2019 by SB7 (Stats 2019 Chapter 835



and AB29 (Stats 2019 Chapter 791). The Court's decision could have adverse impacts on all current and future tenants in the 400+ Caltrans properties in the SR710 Corridor.

Unless the Court permanently enjoins the proposed sale of 626 Prospect, Caltrans will sell to a buyer who does not involve the tenants, does not involve the city in the sales process, and to buyers who have under-funded the cost of needed code-required and habitability repairs. The sale of 626 Prospect was earlier enjoined by this Court. The proposed buyer selected by Caltrans significantly under-funded the costs of needed habitability and code-compliance repairs. Sale to this buyer would harm and endanger myself and other tenants by rendering needed repairs under-funded. Future rents on the units will be capped permanently. Unless the full costs of needed habitability and code-compliance repairs are fully funded and included in sale contract, there will never be enough funds to ensure decent, safe and code-compliance housing for the current and future tenants.

Caltrans has asserted for over 40 years that it is exempt from all state and local tenant safety and habitability laws, that South Pasadena cannot inspect any Caltrans dwelling units, and that South Pasadena cannot cite Caltrans for unsafe or unsanitary dwelling conditions at 626 Prospect. Local power to inspect and seek remedies on government owned housing is provided in Health & Safety Code section 17980.7(f) and other codes. Despite this, South Pasadena has allowed residential dwelling units owned by Caltrans to go un-inspected, un-repaired and lacking basic maintenance for at least thirty years, including those at 626 Prospect. Full habitability repairs must be part of any sale.

The buyer of 626 Prospect accepted Caltrans' arbitrary and low "\$30,000 per dwelling unit" repair estimate without preparing any code inspection or a true cost estimate. During "walk-throughs" by representatives and contractors of this buyer I personally pointed to electrical, plumbing, and other places needing through inspections, but they declined to undertake such inspections. I told them of ongoing defects in the plumbing, wiring, drains, sewers, roofs and walls. They declined to look for themselves.

Thereafter, the Caltran-approved buyer budgeted \$29,150 per dwelling unit. Caltrans chose this low-budget buyer because this buyer accepted the Caltrans arbitrary low repair cap of \$30,000. The other proposed buyer budgeted \$114,000 per dwelling unit for repair costs. That second buyer was rejected by Caltrans, but was favored by the City. The tenants' health and safety were not considered by Caltrans in rejecting the second buyer, who would better protect the tenants health and safety in the future.

Parts of the Roberti Law and Regulations require Caltrans itself to complete repairs prior to close of escrow. See Government Code sections 54236(f), 54237(b), and 54237.3, and regulations at 21 C.C.R. §§ 1476(a)(6) & (19), 1481.2(d), and 1481.3.

Caltrans seeks to shift the costs of needed repairs to the buyer. See 21 C.C.R. §§ 1485(d) (private buyer's ten year expense pro forma and plan for rehabilitation of the



property) and 1485.1(b)(1) (require private rehabilitation). Caltrans has an economic incentive to prefer buyers with arbitrarily low repair estimates and to not scrutinize their ten year *pro formas* and rehabilitation plans. Otherwise, Caltrans risks being responsible for the costs of habitability repairs.

The proposal from Pasadena Friendship Community Development Corporation ("Friendship") to acquire the apartments at 626 Prospect fails to comply with the Roberti Law and Regulations. Funds budgeted by Friendship for repairs at 626 Prospect are too way low and will not meet habitability standards or protect the tenants.

Caltrans prefers proposals with overly low repair budgets. This is part of Caltrans' efforts to shift to all buyers all liability for needed repairs and to prevent any record that repairs in any dwelling unit within the SR710 Corridor will exceed \$30,000. Caltrans' decision to cap repair costs harms tenants and allows buyers and Caltrans itself to do shoddy and/or incomplete repairs, now and in the future, endangering all tenants.

Tenants in multi-family properties are encouraged by the Roberti Law to purchase their property using a limited equity housing co-operative ("co-ops") as described in Government Code section 54237(d)(a)(A)(ii) (Roberti Law). See Health & Safety Code section 50076.5, Civil Code section 817, and Business & Professions Code section 11003.4 for definition of a limited equity housing cooperative. Such co-ops allow tenants to keeps their rents permanently affordable by renting from a non-profit entity controlled by a board elected by the tenants. Since the 1980's hundreds of former Caltrans dwelling units continue to be owned by tenant-controlled co-ops located in the areas known as Echo Park and Silver Lake. These are within the former State Route 2 Corridor, a cancelled freeway segment similar to the cancelled segment of the SR710.

I offer this *amicus curiae* letter to defend the interests of tenants throughout the SR710 Corridor and the tenants at 626 Prospect, such as myself. The tenant habitability and lack of due process notice issues in this letter have not been raised by any party. Such parties have economic conflicts of interests and are not aligned with the tenants. Therefore, I have standing to offer this letter to the court as an *amicus curiae*.

### Roberti Law and Regulations Require Habitability Repairs

Decent, safe, and sanitary dwelling units are required by the Roberti Law. See Gov't Code §§ 54236(f), 54237(b) and (d), 54237.3, 54237.5, 54237.7(a), 54239.1(b) (Los Angeles), 54239.4(b) (So. Pasadena), and 54239.5(b) (Pasadena). And see Title 21 §§ 1476(a)(6) & (19), 1481(i), 1481.2(d), 1481.3(c)-(m), 1481.4(a), 1484.1(a)-(d), 1485(a), (d), and (e); and 1485.1(b) in the regulations. These laws and rules ensure habitability repairs are funded to *most* dwellings before any sale. Caltrans can shift the repair costs away from itself to a buyer when a property is not sold to the tenants. Caltrans appears to have approved Pasadena Friendship Community Development Corporation ("Friendship") as buyer in order to shift the cost of repairs to Friendship, but also to create a fiction that habitability repairs will never exceed \$30,000 per dwelling unit.

**Prejudice to Tenants of Friendship's Under-Funded Repair Budget**

Denial of a permanent injunction will harm the interests of residents at 626 Prospect. The proposal by Friendship fails to include adequate funds to repair all dwelling units to a safe and habitable conditions. Friendship proposes to spend only **\$29,150 per dwelling unit** on repairs. See Declaration of Caroline Dabney filed by Caltrans June 21, 2021, ¶19, Exhibit 8 (Friendship's Reasonable Price Statement), page 13 (un-numbered), includes a description of its purchase budget as follows (arrows supplied):

* Uses	
Purchase Price	\$ 1,310,000
Closing Cost (Acquisition)	13,100
Loan Fees	9,825
Renovation Costs	349,800 ← ← ←
Operating Deficit/Working Capital	23,350
Total	\$ 1,706,075 *

Renovation Costs of \$349,800 divided by 12 dwelling units = **\$29,150 per unit.**

The alternative proposal by the New Prospect Development and Heritage Housing Partners (together "Heritage"), as approved by the City, budgeted to spend **\$114,000 per dwelling unit.** See Declaration of Armin Chaparyan filed by City June 11, 2021, ¶5, and Exhibit C, at page 4 of 8, in the Reasonable Price Statement:

**\*Project Budget**

→ → →

In addition to the acquisition cost, per attachment D-1, the total estimated cost for the rehab is \$1.37 million (\$114,000 per unit), [ . . . . ] A detailed rehab cost estimate was prepared by RAAM Construction, and is included as Attachment E. [ . . . . ] \*

During this lawsuit, neither Caltrans nor Friendship has offered to explain this disparity in repair budgets. It appear Caltrans seeks to maintain a fiction that no dwelling unit in the SR710 Corridor will require more than \$30,000 to repair. The City has conducted no code enforcement inspection at the property.

**Large Deviation in Per Unit Repair Budgets for Friendship and Heritage**

There is a large disparity in repair budgets per dwelling unit between the proposals by Friendship and Heritage/City as follows:

**Friendship Repair Budget**  
**\$29,150 per dwelling unit.**

**Heritage/City Repair Budget**  
**\$114,000 per dwelling unit.**



Caltrans violated 21 C.C.R. 1485(e) and 1485.1(b) by not undertaking a comparison analysis of Friendship's ten year *pro forma* and rehab plans in terms of tenant safety side-by-side the Heritage/City ten year *pro forma* and rehab plans. The wide disparity in repair budgets has not been explained by Caltrans or Friendship or the City.

### Lack of Personal Service on Tenants is Prejudicial and Denies Due Process

The residences and the health and safety of all tenants at 626 Prospect are at stake in this lawsuit. None of the tenants at 626 Prospect were served with any summons, complaint or any subsequent papers in this suit. They have a direct and personal stake in its outcome. See all Proofs of Service filed in 2021 and 2022 in this lawsuit as either stand-alone documents or as attached to the parties' many filings on: June 8, 2021 (five Proofs of Service), June 11, 2021 (five documents and one Proof of Service), June 14, 2021 (five documents), June 15, 2021 (three documents), June 21, 2021 (four documents), June 24, 2021 (one document), July 2, 2021 (two documents), July 12, 2021 (proof of service), July 16, 2021 (Answer by Caltrans), August 6, 2021 (Joint Answer by New Prospect Development, Heritage Housing Partners, and New Prospects Housing), April 13, 2022 (two documents), April 14, 2022 (certificate of mailing), April 21, 2022 (Notice), June 24, 2022 (one document), July 25, 2022 (Notice), November 23, 2022 (three documents), and January 30, 2023 (Notice).

The Court is asked to take judicial notice of the fact that there is no proof of service showing service on any tenant now residing at 626 Prospect. The sale must be returned to Caltrans for a more lawful decision that complies with due process. See Arrieta v. Mahon (1982) 31 Cal.3d 381, at 390 (tenant's due process rights in an eviction suit).

### Lack of Tenants Presence at the Pending Mediation

A Mediation in this case is set to occur. No tenants at 626 Prospect were noticed or invited. No tenant has participated, despite having a direct stake and the scope of habitability repairs any buyer must perform. It is rumored there was an interim agreement. No tenants was ever informed of its terms. I have appeared at South Pasadena City Council and objected to the tenants exclusion from the Mediation and settlement. I asked City officials to reveal the settlement terms, but the staff stated I would not be told. The Court dates changed. No tenant was notified of the order. My interests are at stake, if an under-funded repair budget and buyer is approved.

### Caltrans' History of Shoddy Maintenance and Encouraging Vacancies

In 1999, the final U.S. District Court injunction was entered against the Route SR710 segment through El Sereno, South Pasadena, and Pasadena in City of South Pasadena v. Slater (C.D. Cal. 1999) 56 F.Supp.2d 1106, at 1148-1149. At page 1147

the following appears describing the scope of some remedies (emphasis supplied):

[ . . . . ]

**D. Whether to require the state defendants to rent state-owned properties for occupancy and use**

The plaintiffs seek to have the defendants rent state-owned properties for occupancy and use. The defendants argue that this obligation is unnecessary and could potentially involve this Court in landlord-tenant disputes.

The Court has ordered the defendants to maintain state-owned structures in the Corridor. Renting these units for occupancy and use may be the most efficient method of ensuring that these structures are maintained in accordance with community standards and protected from vandalism. However, given the previous order that the defendants maintain the properties, the Court finds that the most efficient method of complying with that order should be left on a property-by-property basis to the discretion of the defendants.

[ . . . . ]

No tenant representatives were parties to that lawsuit. No tenant received any notice.

Earlier federal court injunctions ordered Caltrans to keep all the dwelling units occupied. See City of South Pasadena v. Volpe (C.D.Cal. 1976) 418 F.Supp. 854, modified at 424 F.Supp.626 (1973 injunction renewed in 1976 and 1979); City of South Pasadena v. Goldschmidt (9<sup>th</sup> Circ. 1981) 637 Fed.2d 677 (intervenors' appeal rejected). The 1999 injunction did omit these required occupancy term of the earlier injunctions.

To avoid maintenance costs after the 1973 injunction, local Caltrans managers allowed tenants to do needed repairs and gave tenants rent credit when contractor receipts were provided. However, the 1999 injunction left the managers in charge of occupancy and maintenance. This decision harmed the tenants for decades. After 1999, Caltrans managers embarked vacating dwelling units. There was with little maintenance done. Managers forbade tenants to do maintenance, even at their own expense, on pain of being evicted. Local maintenance budgets were gone mid way through fiscal years. No more funds came from Sacramento mid-year. Deferred maintenance was widespread. Rents were raised, forcing out tenants. Units were not re-rented, left vacant. Any complaining tenants were evicted. Vacancies soared. A majority of 626 Prospect units now are vacant. A buyer's repair budget directly impacts the tenants health and safety at 626 Prospect.



Objections to Any Settlement Harming Tenants at 626 Prospect.

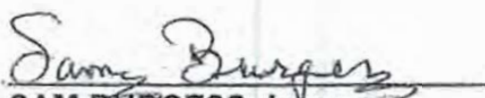
The City/Heritage proposal has a statutory priority which Caltrans ignored, as this Court held in its ruling of July 1, 2021. Friendship has no priority and has under-funded needed repairs. A sale to Friendship violates the Roberti Law and harms the tenants at 626 Prospect. The City's brief for a permanent injunction was filed November 23, 2022. Caltrans and Friendship have not filed briefs or evidence. The merits of any settlement cannot be judged until the evidence is seen and the tenants are fully informed.

I OBJECT TO ANY SETTLEMENT THAT IGNORES THE INTERESTS OF THE TENANTS, or excluded tenants from the mediation, or which violates the law by not ensuring fully-funded habitability repairs to protect all tenants. Any proposal to "Modify the Preliminary Injunction" must be provided to all tenants, and the tenants at 626 Prospect must be allowed to analyze it and possibly object. Tenant interests and safety may be harmed. Due process requires notice to all tenants before any hearing, and before the Court considers any settlement or modification of the preliminary injunction.

Support for Issuing Permanent Injunction.

For the reasons set forth in this letter, I support issuance of a permanent injunction to prevent any sale from Caltrans to Friendship. The Friendship proposal under-funds the cost of needed habitability and safety repairs at 626 Prospect. The decision on who should purchase 626 Prospect should be returned to Caltrans with instructions from the Court that Caltrans follow the Roberti Law, carefully consider the priorities granted to the City and Heritage and tenant co-ops, and that Caltrans take all steps needed to truly protect the health and safety and due process rights of all the tenants.

Sincerely,

  
SAM BURGESS, in pro se

**EXHIBIT 2 - UCT Letter as *amicus curiae***



# UCT UNITED CALTRANS TENANTS

El Sereno • Pasadena • South Pasadena  
5469 Huntington Drive North, Los Angeles, California 90032-1323  
Tel: (213) 304-5424 Email: unitedcaltranstenantsinfo@gmail.com

October 18, 2023

Honorable Curtis A. Kin, Judge  
Department 82, 8<sup>th</sup> Floor, Room 833  
Los Angeles County Superior Court  
111 North Hill Street  
Los Angeles, California 90012-3014

City of South Pasadena, etc. v. California Department of Transportation, etc.,

LASC Case No.: 21STCP01779

Hearing Date: November 7, 2023, 9:30 AM, Department 82

***Proposed Amicus Curiae re:***

1. Objections to Any Settlement Harming 626 Prospect Avenue Tenants;
2. Support for Permanent Injunction as to sale of 626 Prospect Avenue.

Dear Honorable Judge Curtis A. Kin:

United Caltrans Tenants ("UCT") in an unincorporated association established in 2005. UCT includes over 200 persons and families who subscribe to our emailed updates and who attend our meetings in person and via Zoom. UCT's mission is to assist tenants living in single family or multi-family residential units, and also non-profits and small businesses, all renting from the California Department of Transportation ("Caltrans") in the cities of Los Angeles (El Sereno neighborhood), South Pasadena, and Pasadena within the cancelled segment of State Route 710 ("SR710") corridor. There are over 400 such properties currently owned by Caltrans in the SR710 Corridor.

The undersigned are members of the coordinating committee of UCT. We request that this letter be placed in the file of this lawsuit as an *amicus curiae* in support of the City of South Pasadena's claims for a permanent injunction and/or also objecting to any settlement of this lawsuit which does not consider the interests of the tenants, and/or prejudices the interests of the tenants, residing at 626 Prospect, South Pasadena, or who otherwise rent other dwellings from Caltrans in the SR710 corridor. UCT defends the rights of tenants under Government Code sections 54235 to 54239.5 to purchase their homes, a.k.a. the Roberti Law.

We each have extensive personal experience in dealing with Caltrans tenants and Caltrans properties in the SR710 Corridor, in dealing with Caltrans, and in addressing issues under the Roberti Law and Caltrans' Regulations (21 CCR 1469 to 1491).

### Standing of United Caltrans Tenants

This SR710 Freeway segment was cancelled in 2019 by SB7 (Stats 2019 Chapter 835 and AB29 (Stats 2019 Chapter 791). The Court's decision in this lawsuit could have widespread adverse impacts on many families currently residing in Caltrans residential properties throughout the SR710 Corridor.

Unless the Court permanently enjoins the proposed sale of 626 Prospect, Caltrans will sell to buyers who do not involve the tenants, do not involve the local city in the sales process, and to buyers who have under-funded the cost of needed habitability and safety repairs. We believe that the sale of 626 Prospect, now enjoined by this Court, would significantly under-fund the costs of needed habitability repairs and would harm the tenants by rendering needed repairs permanently under-funded. Future rents on the units will be capped permanently under the sales terms. Unless the full costs of needed habitability repairs are included in sale contract, there will never be enough funds to ensure decent, safe and sanitary housing for the current and future tenants.

We believe that Caltrans seeks to establish an arbitrary low dollar limit on the costs of needed habitability repairs and apply it throughout the SR710 Corridor. Caltrans seeks to impose an arbitrary cap of \$30,000 per dwelling unit throughout the SR710 Corridor without regard to the actual repairs needed for safety and code compliance.

Caltrans has asserted for over 40 years that it is exempt from local and state habitability laws, that local governments cannot inspect Caltrans dwelling units, and that local governments cannot cite Caltrans for unsafe or unsanitary dwelling conditions. Cities have allowed hundreds of Caltrans residential dwelling units to go un-inspected, un-repaired and lacking basic maintenance for at about twenty years, including the apartments at 626 Prospect. Full habitability repairs must be ensured. Local power to inspect and seek remedies on government owned housing is provided in Health & Safety Code section 17980.7(f) and other codes, but the cities have not done so yet.

The buyer of 626 Prospect accepted an arbitrarily low \$30,000 per dwelling unit repair estimate from Caltrans without preparing meaningful cost estimates or doing a code inspection. This buyer budgeted \$29,150 per dwelling unit. Caltrans chose this low-bid buyer because this buyer accepted the Caltrans' arbitrary low repair estimate. The other proposed buyer budgeted \$114,000 per dwelling unit for repair costs. That second buyer was rejected by Caltrans, but was favored by the City under the Roberti Law. The tenants' health and safety was not considered by Caltrans in rejecting the second buyer, who would better protect the tenants health and safety.

Parts of the Roberti Law and Regulations require Caltrans itself to complete repairs prior to close of escrow. See Government Code sections 54236(f), 54237(b), and 54237.3 and 21 C.C.R. §§ 1476(a)(6) & (19), 1481.2(d), and 1481.3.



Caltrans seeks to shift the costs of needed repairs to the buyers. See 21 C.C.R. §§ 1485(d) (private buyer's ten year expense pro forma and plan for rehabilitation of the property) and 1485.1(b)(1) (require private rehabilitation). Caltrans has an economic incentive, and conflict of interest, to prefer buyers with low repair estimates and to not scrutinize their ten year *pro formas* and rehabilitation plans. Otherwise, Caltrans risks being responsible for the costs of habitability repairs.

We believe that the proposal from Pasadena Friendship Community Development Corporation ("Friendship") to acquire the apartments at 626 Prospect fails to comply with the Roberti Law and Regulations. Funds budgeted by Friendship for repairs at 626 Prospect are too low and will not meet habitability standards or protect tenant safety.

Caltrans prefers proposals with overly low repair budgets as part of Caltrans' efforts to shift to buyers liability for needed repairs and to prevent any record that repairs in any dwelling unit in the SR710 Corridor will exceed \$30,000. Caltrans' arbitrary decision to limit repair costs harms tenants and allows buyers and/or Caltrans itself to do shoddy and/or incomplete repairs, now and in the future, endangering the tenants.

One or more of UCT's members reside at 626 Prospect, the subject of this suit. Many SR710 Caltrans tenants have resided in their homes for over 30 years, and they have continually intended to purchase their homes under the Roberti Law (enacted in 1979).

Tenants in multi-family properties are encouraged by the Roberti Law to purchase their property using a limited equity housing co-operative ("co-ops") as described in Government Code section 54237(d)(a)(A)(ii) (Roberti Law). See Health & Safety Code section 50076.5, Civil Code section 817, and Business & Professions Code section 11003.4 for definition of a limited equity housing cooperative. Such co-ops allow tenants to keep their rents permanently affordable by renting from a non-profit entity controlled by a board elected by the tenants. Since the 1980's hundreds of former Caltrans dwelling units continue to be owned by tenant-controlled co-ops located in the areas known as Echo Park and Silver Lake. These are within the former State Route 2 Corridor, a cancelled freeway segment similar to the cancelled segment of the SR710.

UCT offers this *amicus curiae* letter to defend the interests of tenants throughout the SR710 Corridor and also the tenants at 626 Prospect. The tenant habitability and lack of notice issues raised in this letter have not been raised by any party. Such issues may be neglected due to a party's interests not aligning with the tenants. Therefore, the undersigned as individual members of the coordinating committee of UCT have standing to offer this letter to the court as *amicus curiae*.

**Roberti Law and Regulations Require Habitability Repairs**

Decent, safe, and sanitary dwelling units are required by the Roberti Law. See Gov't Code §§ 54236(f), 54237(b) and (d), 54237.3, 54237.5, 54237.7(a), 54239.1(b) (Los

Angeles), 54239.4(b) (So. Pasadena), and 54239.5(b) (Pasadena). And see Title 21 §§ 1476(a)(6) & (19), 1481(l), 1481.2(d), 1481.3©-(m), 1481.4(a), 1484.1(a)-(d), 1485(a), (d), and (e); and 1485.1(b) in the regulations. These laws and rules ensure habitability repairs are funded to *most* dwellings before any sale. Caltrans can shift the repair costs away from itself to a buyer when a property is not sold to the tenants. Caltrans appears to have approved Pasadena Friendship Community Development Corporation (“Friendship”) as buyer in order to shift the cost of repairs to Friendship, but also to create a fiction that habitability repairs will never exceed \$30,000 per dwelling unit.

**Prejudice to Tenants of Friendship’s Under-Funded Repair Budget**

Denial of a permanent injunction will harm the interests of residents at 626 Prospect. The proposal by Friendship fails to include adequate funds to restore all dwelling units to a safe and habitable conditions. Friendship proposes to spend only \$29,150 per dwelling unit on repairs. See Declaration of Caroline Dabney filed by Caltrans June 21, 2021, ¶19, Exhibit 8 (Friendship’s Reasonable Price Statement), page 13 (un-numbered), includes a description of its purchase budget as follows (arrows supplied):

* Uses	
Purchase Price	\$ 1,310,000
Closing Cost (Acquisition)	13,100
Loan Fees	9,825
<b>Renovation Costs</b>	<b>349,800 ← ← ←</b>
<u>Operating Deficit/Working Capital</u>	<u>23,350</u>
<b>Total</b>	<b>\$ 1,706,075 *</b>

Renovation Costs of \$349,800 divided by 12 dwelling units = \$29,150 per unit budget. The alternative proposal by the New Prospect Development and ~~Heritage Housing Partners~~ (together “Heritage”), as approved by the City, budgeted to spend \$114,000 per dwelling unit. See Declaration of Armin Chaparyan filed by City June 11, 2021, ¶15, and Exhibit C, at page 4 of 8, in the Reasonable Price Statement:

**“Project Budget**

→ → → In addition to the acquisition cost, per attachment D-1, the total estimated cost for the rehab is \$1.37 million (\$114,000 per unit), [ . . . ] A detailed rehab cost estimate was prepared by RAAM Construction, and is included as Attachment E. [ . . . ]”

During this lawsuit, neither Caltrans nor Friendship has offered to explain this disparity in repair budgets. It appears Caltrans seeks to maintain a fiction that no dwelling unit in the SR710 Corridor will require more than \$30,000 to repair. This low dollar amount is being asserted now by Caltrans for other dwelling units in the SR710 Corridor. Caltrans is attempting to create a false record on repair costs using Friendship’s cheap proposal.



The property at 626 Prospect has never been code inspected by the City or anyone.

### Large Deviation in Per Unit Repair Budgets for Friendship and Heritage

There is a large disparity in repair budgets per dwelling unit between the proposals by Friendship and Heritage/City as follows:

Friendship Repair Budget  
**\$29,150 per dwelling unit.**

Heritage/City Repair Budget  
**\$114,000 per dwelling unit.**

Caltrans violated 21 C.C.R. 1485(e) and 1485.1(b) by not undertaking a comparison analysis of Friendship's ten year *pro forma* and rehab plans in terms of tenant safety side-by-side the Heritage/City ten year *pro forma* and rehab plans. The wide disparity in these repair budgets has not been explained by Caltrans or Friendship or the City.

### Lack of Personal Service on Tenants is Prejudicial and May Deny Due Process

The homes and the health and safety of the tenants at 626 Prospect are at stake in this lawsuit. Yet none of the tenants at 626 Prospect were served with any summons, complaint or subsequent papers in this lawsuit. They have a direct and personal stake in its outcome. See all Proofs of Service filed in 2021 and 2022 in this lawsuit as either stand-alone documents or as attached to the parties' many filings on: June 8, 2021 (five Proofs of Service), June 11, 2021 (five documents and one Proof of Service), June 14, 2021 (five documents), June 15, 2021 (three documents), June 21, 2021 (four documents), June 24, 2021 (one document), July 2, 2021 (two documents), July 12, 2021 (proof of service), July 16, 2021 (Answer by Caltrans), August 6, 2021 (Joint Answer by New Prospect Development, Heritage Housing Partners, and New Prospects Housing), April 13, 2022 (two documents), April 14, 2022 (certificate of mailing), April 21, 2022 (Notice), June 24, 2022 (one document), July 25, 2022 (Notice), November 23, 2022 (three documents), and January 30, 2023 (Notice).

The Court is requested to take judicial notice of the fact that there is no proof of service in the case showing service on any tenant now residing at 626 Prospect at any time in this lawsuit. But the failure to notice the tenants might be harmless error if the injunction is made permanent and the disputed issues are returned to Caltrans where tenant safety can be considered. There is no prayer to award the sale to Heritage or to the City. The sale must be returned to Caltrans for a more lawful decision. Otherwise, the sale to Friendship without notice to the tenants would violate due process. See, Arrieta v. Mahon (1982) 31 Cal.3d 381, at 390 (due process rights in an eviction suit).

### Lack of Tenants Presence at the Mediation

No tenants at 626 Prospect were noticed or invited to any mediation in this case. No

tenant participated, despite having a direct stake in the outcome and the scope of habitability repairs a buyer must perform. It is rumored there was an interim agreement. The tenants were never informed of its terms. Tenants appeared at South Pasadena City Council and objected to their exclusion from the Mediation and settlement. They asked City officials to reveal any settlement terms, but the City staff stated the tenants would not be told. Then, the dates changed by stipulation. No tenant was notified of any proposal for the Court to consider "modifications to the Preliminary Injunction." How the Preliminary Injunction might be modified remains a secret. The tenants interests are at stake, including their health and safety, if an under-funded repair cost budget is approved by this Court and no code-enforcement inspection is conducted.

### Caltrans' History of Shoddy Maintenance and Encouraging Vacancies

In 1999, the final U.S. District Court injunction was entered against the Route SR710 segment through El Sereno, South Pasadena, and Pasadena in City of South Pasadena v. Slater (C.D. Cal. 1999) 56 F.Supp.2d 1106, at 1148-1149. At page 1147 the following appears describing the scope of some remedies (emphasis supplied):

[ . . . . ]

**D. Whether to require the state defendants to rent state-owned properties for occupancy and use**

The plaintiffs seek to have the defendants rent state-owned properties for occupancy and use. The defendants argue that this obligation is unnecessary and could potentially involve this Court in landlord-tenant disputes.

The Court has ordered the defendants to maintain state-owned structures in the Corridor. Renting these units for occupancy and use may be the most efficient method of ensuring that these structures are maintained in accordance with community standards and protected from vandalism. However, given the previous order that the defendants maintain the properties, the Court finds that the most efficient method of complying with that order should be left on a property-by-property basis to the discretion of the defendants.

[ . . . . ]

No tenant representatives were parties to that lawsuit. No tenant received notice. In 1999, at the time of that order, very few of the over 400 Caltrans residential properties (many multi-family) had vacant dwelling units. Between 1995 and 2006 Caltrans sold 47 properties (38 South Pasadena, 9 Pasadena, but none were sold in El Sereno). That was the actual "phase one" of property sales. Now, many units are vacant and decaying.

Earlier federal court injunctions ordered Caltrans to keep all the dwelling units occupied. See City of South Pasadena v. Volpe (C.D.Cal. 1976) 418 F.Supp. 854, modified at



424 F.Supp.626 (1973 injunction renewed in 1976 and 1979); City of South Pasadena v. Goldschmidt (9<sup>th</sup> Circ. 1981) 637 Fed.2d 677 (intervenors' appeal rejected). The 1999 injunction did omit these required occupancy term of the earlier injunctions.

To avoid maintenance costs after the 1973 injunction, local Caltrans managers allowed tenants to do needed repairs and then gave tenants rent credit when contractor cost receipts were provided. However, the 1999 injunction left the managers in charge of occupancy and maintenance decisions. This decision harmed the tenants for decades.

Thereafter, Caltrans managers embarked on an effort to vacate dwelling units. There was little maintenance. Managers forbade tenants from doing maintenance, even at their own expense, on pain of being evicted. Local Caltrans managers regularly spent maintenance budgets mid way through fiscal years and requested no more funds from Sacramento. Lower costs were a goal. Deferred maintenance was widespread. Rents were raised 10% every year, forcing out tenants. Units were not re-rented, left vacant. Complaining tenants were evicted. Vacancies soared. Now, between 25% and 35% of SR710 units have been for years and without maintenance. A majority of 626 Prospect units are vacant. A buyer's repair budget directly impacts the tenants health and safety.

#### Objections to Settlements Harming Tenants at 626 Prospect

The City/Heritage proposal has a statutory priority which Caltrans ignored, as this Court held in its ruling of July 1, 2021. Friendship has no priority and under-funded repairs. A sale to Friendship violates the Roberti Law and harms the tenants at 626 Prospect and throughout the SR710 Corridor. The City's brief for a permanent injunction was filed November 23, 2022. Caltrans and Friendship have not filed briefs or evidence. The merits of a settlement cannot be judged until the evidence is seen. There must be a code inspection at the property.

WE OBJECT TO ANY SETTLEMENT THAT IGNORES THE INTERESTS OF THE TENANTS, or excluded tenants from the mediation, or which violates the law by not ensuring fully-funded habitability repairs to protect all tenants. If a proposal to "Modify the Preliminary Injunction" is filed with the Court, the tenants must be allowed to analyze it. Their interests and safety may be harmed. Due process requires notice to tenants before any Court hearing considers any settlement or any modification of the preliminary injunction.

#### Support for Issuing Permanent Injunction

For the reasons set forth in this letter, we support issuance of a permanent injunction on that prevents any sale of 626 Prospect to Friendship. The Friendship proposal under-funds the cost of needed habitability and safety repairs at 626 Prospect. The decision on who should purchase 626 Prospect should be returned to Caltrans with instructions from the Court that Caltrans follow the Roberti Law, carefully consider the

Honorable Curtin A. Kin, Judge  
Amicus Curiae Letter re 11-07-2023, 9:30 AM, Hearing

October 18, 2023  
page 8 of 8

Sincerely,

UNITED CALTRANS TENANTS

  
\_\_\_\_\_  
ROBERTO FLORES, *in pro se*

\_\_\_\_\_  
TIMOTHY IVISON, *in pro se*



Honorable Curtin A. Kin, Judge  
Amicus Curiae Letter re 11-07-2023, 9:30 AM, Hearing


October 18, 2023  
page 8 of 8

Sincerely,

UNITED CALTRANS TENANTS

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ROBERTO FLORES, *in pro se*



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TIMOTHY IVISON, *in pro se*

1 Proof of Service by U.S. Mail and by Electronic E-Mail

2 CITY OF SOUTH PASADENA, etc. v. CALIF. DEPT. OF TRANS., etc., 21STCP01779  
3 Los Angeles County Superior Court, Stanley Mosk Courthouse  
4 111 North Hill Street, 8<sup>th</sup> Floor, Los Angeles, California 90012  
Assigned to: Hon. Curtis A. Kin, Department 82, Courtroom Tel: (213) 830-0782

5 I am over 18 years of age, and I am not a party to this case. I have the following address:  
United Caltrans Tenants, 5469 Huntington Drive North, Los Angeles, California 90032-1323

6 On Sunday, October 22, 2023, I served the attached document on all attorneys in this suit  
7 entitled "EX PARTE APPLICATION TO FILE TWO AMICUS CURIAE LETTERS;  
8 DECLARATION OF COUNSEL RE GIVING NOTICE; EXHIBITS". I enclosed the  
duplicate copies of the document in envelopes addressed as set forth below with U.S. First  
Class postage, and I deposited them into the U.S. Postal Service at Pasadena, California.

9 Kirtsen R. Bowman, attorney for  
Department of Transportation  
10 100 South Main Street, Floor 13  
Los Angeles, California 90012-3727

California Department of Transportation  
Tel: (213) 687-6000  
Email: kirsten.bowman@dot.ca.gov

11 Roxanne Margarita Diaz, attorney for  
12 Michael F. Yoshiba, attorney for  
Richards Watson & Gershon  
13 350 South Grand Avenue, 37<sup>th</sup> Floor  
Los Angeles, California 90071-3101

Petitioners City of South Pasadena and  
South Pasadena Housing Authority  
Tel: (213) 626-8484  
Email: rdiaz@rwglaw.com  
Email: myoshiba@rwglaw.com

14 Dario J. Frommer, attorney for  
15 Akin Gump Strauss Hauer & Feld LLP  
1999 Avenue of the Stars, Suite 600  
16 Los Angeles, California 90067-4614

Petitioners City of South Pasadena and  
South Pasadena Housing Authority  
Email: dfrommer@akingump.com

17 Daniel M. Shapiro, attorney for  
Law Office of Daniel M. Shapiro  
18 1366 East Palm Street  
Altadena, California 91001

New Prospect Development; Heritage Housing  
Partners; and New Prospects Housing LLC  
Tel: (626) 398-5137  
Email: dmslawyer@gmail.com

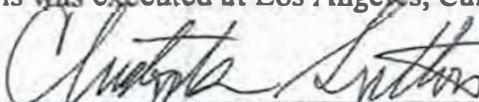
19 Wesley T.L. Burrell, attorney for  
20 Munger Tolles & Olson LLP  
350 S. Grand Avenue, 50<sup>th</sup> Floor  
21 Los Angeles, California 90017

Pasadena Friendship Community  
Development Corporation  
Tel: (213) 683-9282  
Email: wesley.burrell@mto.com

22 Additional Electronic Service

23 In addition to mailing, I sent PDF duplicates of the above document by email to each email  
address shown above from my email address of unitedcaltranstenants@gmail.com.

24 I declare under penalty of perjury under the laws of the State of California that the above is  
25 true and correct and that this was executed at Los Angeles, California, on October 22, 2023.

26   
27 CHRISTOPHER SUTTON