



Infill Analysis of the Mission Street Gold Line Station Area and Caltrans Properties in South Pasadena

Summary

This project is one of three pilot projects commissioned by the Southern California Association of Governments (SCAG) as part of the Demonstration Projects program of the Compass 2% Strategy. Working in a partnership with the City of South Pasadena, Fregonese Calthorpe Associates (FCA), a consultant firm contracted by SCAG, set out to conduct an analysis of the area around the Mission Street Station, and the Caltrans properties along the Freeway 710 Extension corridor and throughout the City.

Purpose of this Report

The Gold Line light rail came to South Pasadena in 2003. The station represents a major public investment, and rail station areas are of strategic importance to the region. SCAG identifies areas within one-half mile of rail stations as being part of the Compass 2% Strategy. This program is expected to provide assistance to many jurisdictions in the region as part of a strategy to implement positive change in small parts of the region that bring the most benefit to both the region and individual jurisdictions.



South Pasadena's Mission Street Gold Line Station



Coffee shop near Mission Street Station

The intent of this study is twofold. The first is to analyze land uses near the Mission Street station to assess infill potential. Additionally, city staff expressed interest in a review of Caltrans properties within the planned Freeway 710 corridor alignment, which currently runs north-south through South Pasadena, just west of the Mission Street station. Caltrans, the California Department of Transportation, has over the span of over thirty years acquired a large number of properties in the city. The City is concerned about the effects of the Caltrans-owned properties on the larger community.

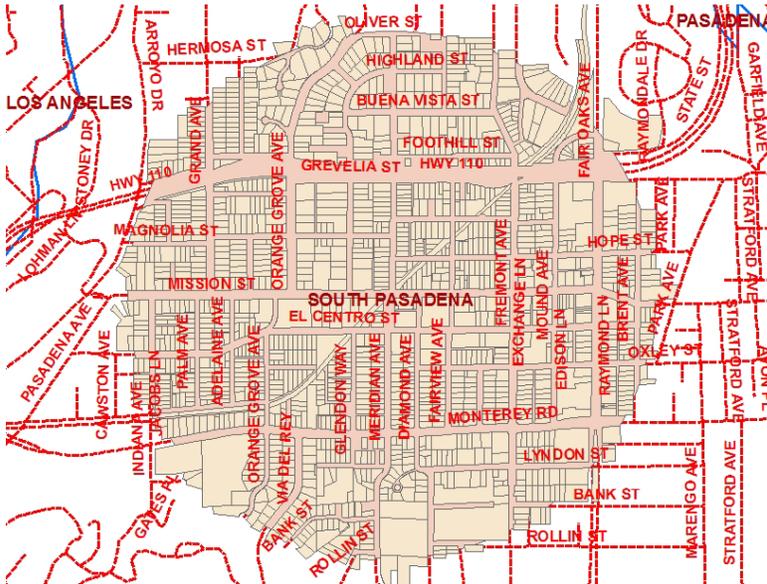
This report details the current conditions and future forecasts for the study area, analyzes infill potential in the Mission Street Specific Plan area, and reviews Caltrans properties along the Freeway 710 alignment and throughout the City.



South Pasadena

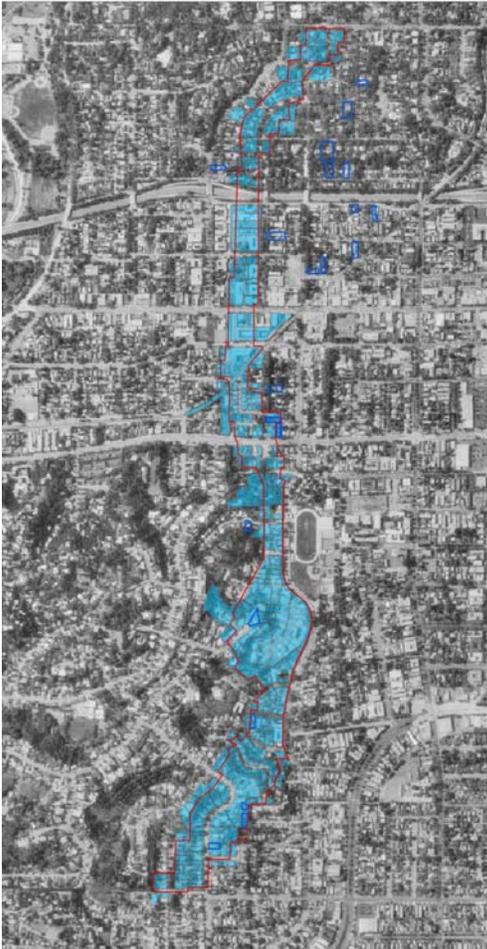
Study Area

For this project we defined a primary study area by drawing a half mile radius around the Mission Street Gold Line Station. The station is located at Meridian Avenue and Mission Street in South Pasadena.



Half Mile radius around Mission Street station

Additionally, a second study area was necessary to review Caltrans-owned properties. FCA examined particular properties within the Freeway 710 corridor, shown below in blue. The mapped freeway alignment has changed over the years; this diagram is showing the most recent alignment according to Caltrans. It includes properties within one block of the light rail station. The section on Caltrans properties details the results of this study.



Freeway 710 Extension proposed alignment

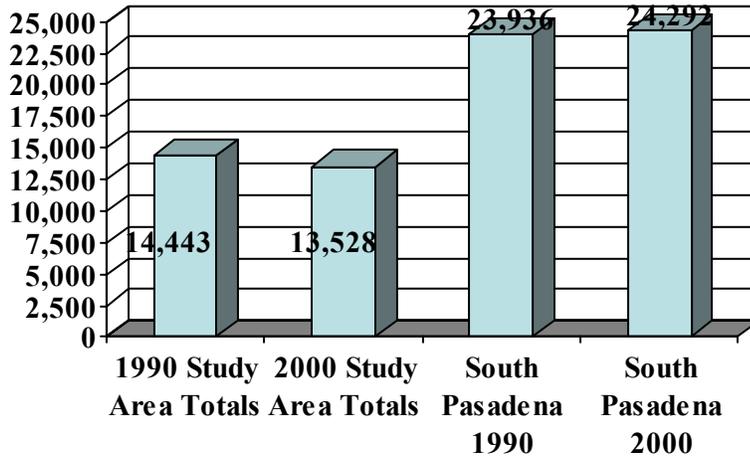
Existing Conditions

South Pasadena is relatively small jurisdiction with less than 25,000 people as of the 2000 Census. The community is stable and did not experience much change in the last decade. One reason for this may be the fact that the city is surrounded by neighboring cities and is largely built out. The population of the study area (within a half mile radius of the station) actually decreased by 6.3% between the last two censuses, from a population of 14,443 in 1990 to 13,528 in 2000. The City of South Pasadena had only a modest increase (1.4%) in population in the same decade, from 23,936 to 24,292.



Population

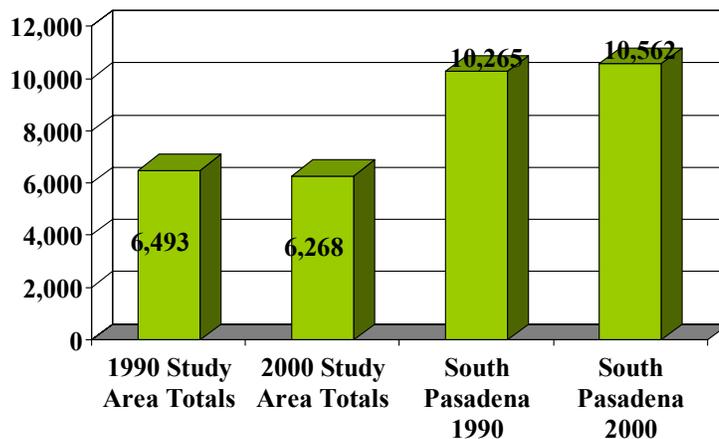
South Pasadena US Census American Fact Finder



There was a loss of housing units in the study area between 1990 and 2000, which may explain the loss in population. The study area showed 6,841 housing units in 1990 and only 6,397 in 2000, a loss of 444 units close to the transit station. At the same time the City as a whole only added 131 housing units in ten years (from 10,719 to 10,850).

Households

South Pasadena US Census American Fact Finder

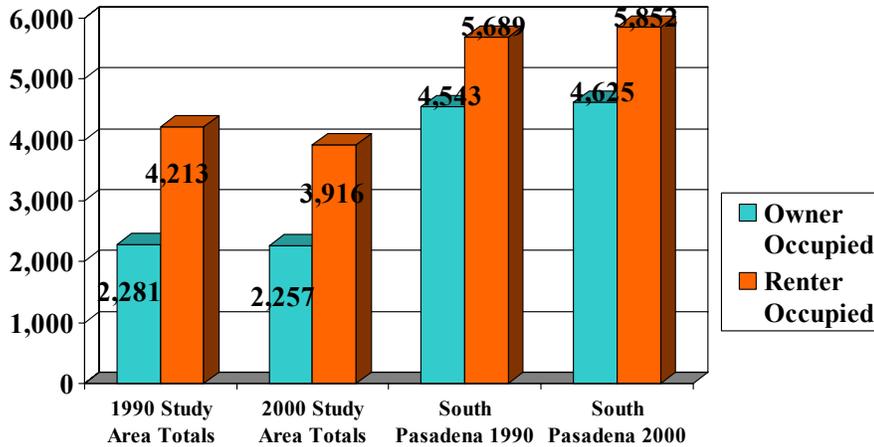




The percentage of people renting housing versus owning stayed virtually the same both citywide and in the study area, as the graph below illustrates.

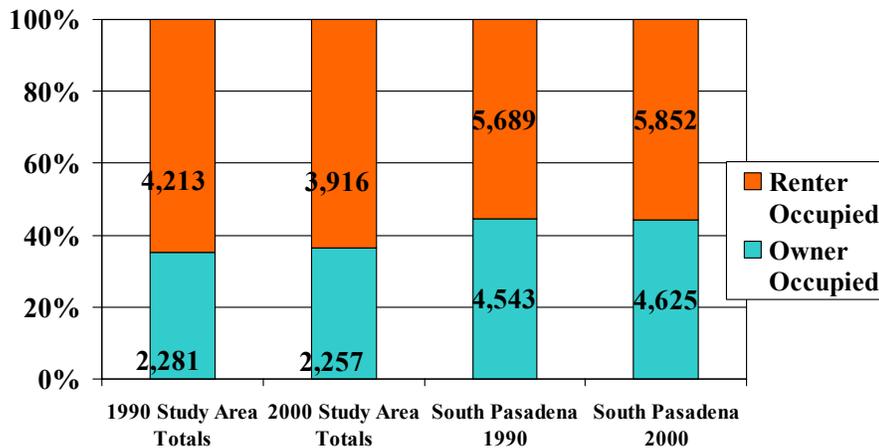
Tenure Status

South Pasadena US Census American Fact Finder



Occupant Status

South Pasadena US Census American Fact Finder

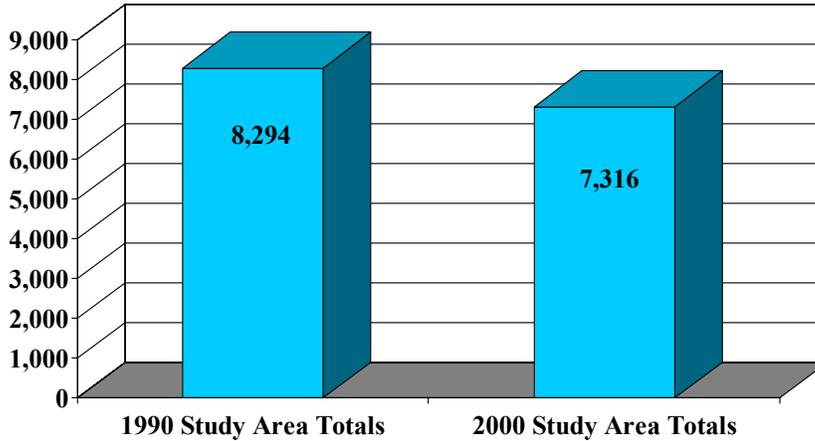


The study area lost 12% of its jobs between 1990 and 2000. Employment near the rail station dropped from 8,294 to 7,316. In summary, the study area around the Mission Street Station lost housing units, population and employment between 1990 and 2000.



Total Employment

Study Area US Census American Fact Finder

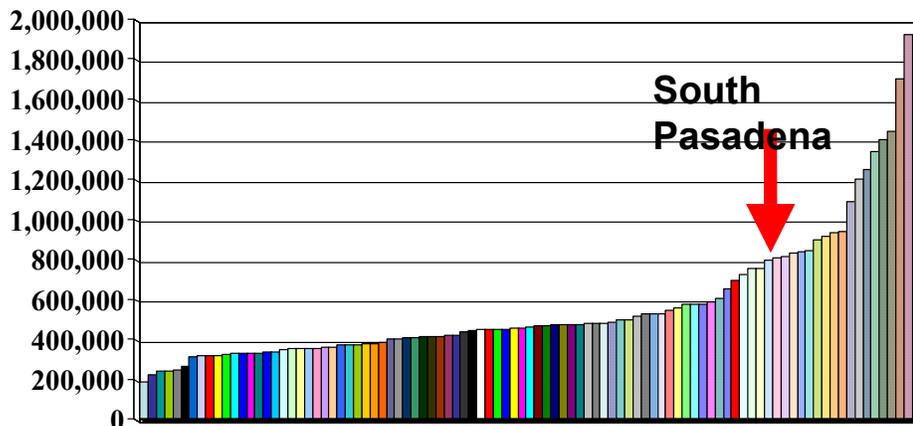


Housing Costs

The median home price in South Pasadena has escalated dramatically in the last five years, reflecting a similar trend found across the Southern California region. South Pasadena is the 21st most expensive city (of 94 communities rated) in Los Angeles County, with a median housing price of \$693,000 as of 2004. In 2000 the Census Bureau reported the median house price for South Pasadena to be \$383,600, implying a price increase of 81% in the last five years.

Median Home Prices

Cities/Communities of Los Angeles Counties; Source: Derived from Dataquick data

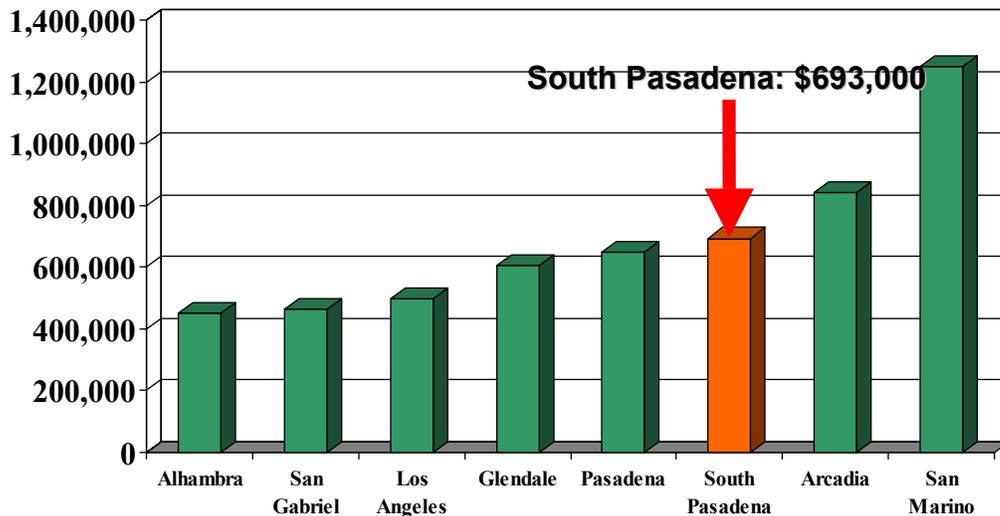




Below is a chart comparing South Pasadena home prices in 2004 with those of its neighboring cities.

Median Home Prices

Neighboring Communities of Los Angeles Counties; Source: Derived from Dataquick data

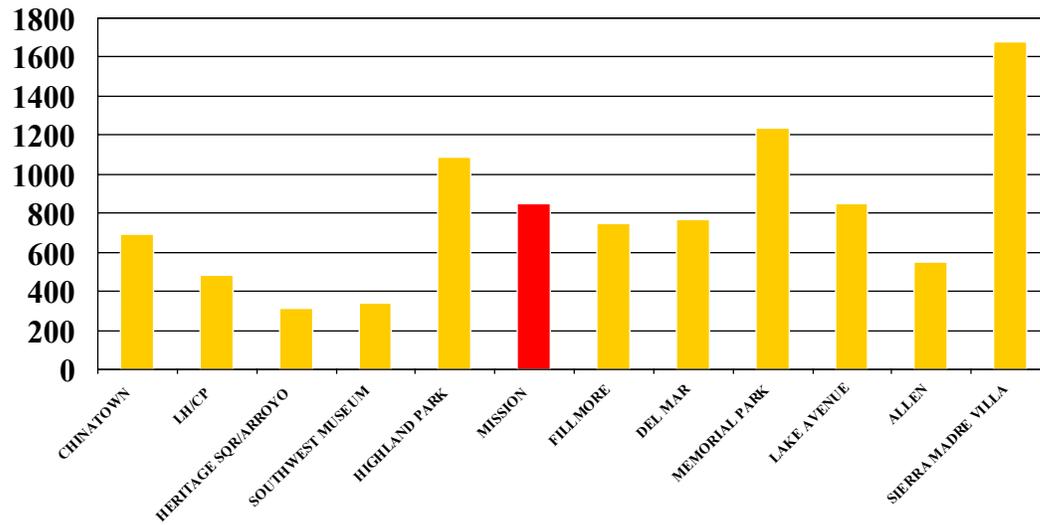


Transit Ridership

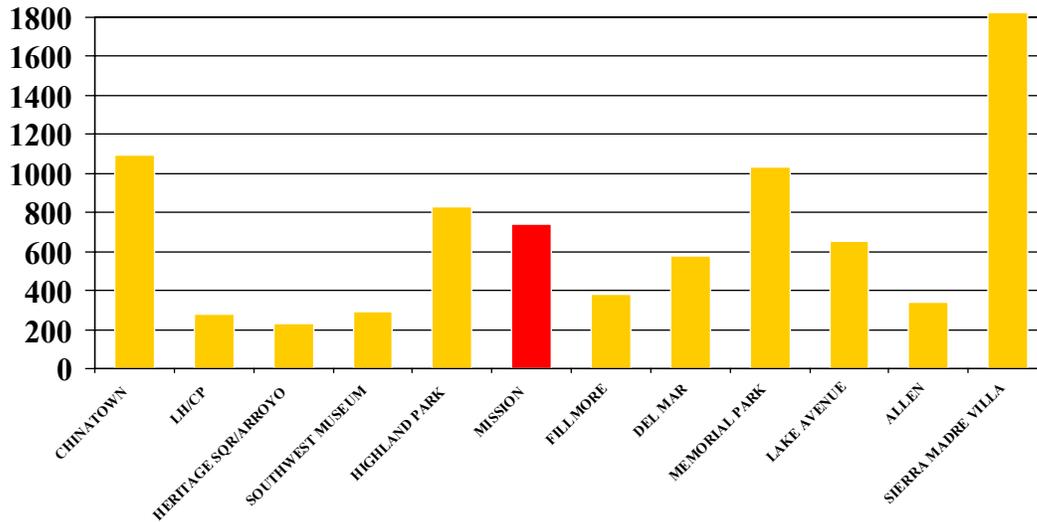
The Mission Street station opened in 2003 and in 2004 recorded 850 weekday boardings and 740 weekend boardings. This is among the top third for ridership along the Gold Line according to the Metropolitan Transit Authority.



Gold Line Weekday Daily Boardings

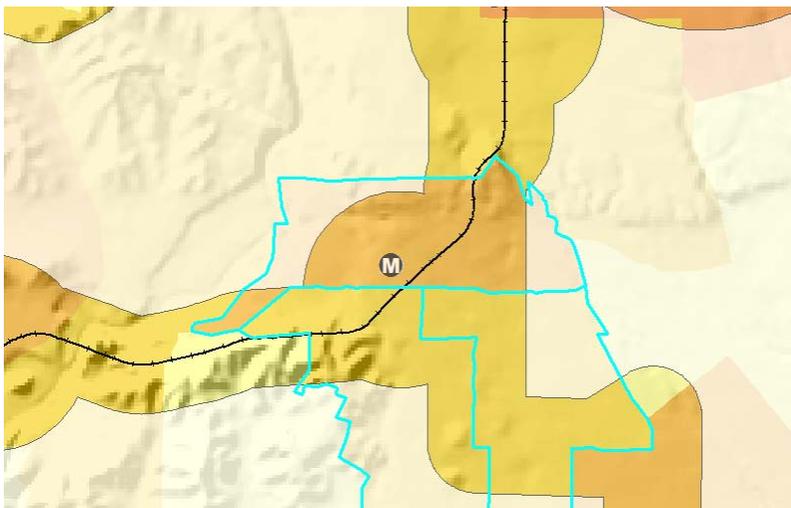


Gold Line Weekend Daily Boardings



Forecast

The forecast for the study area shows increasing population, households and employment. The forecasts are for a three TAZ (transportation analysis zone) area that includes a larger area than the half mile radius around the station, which is roughly centered within these TAZs as shown below.

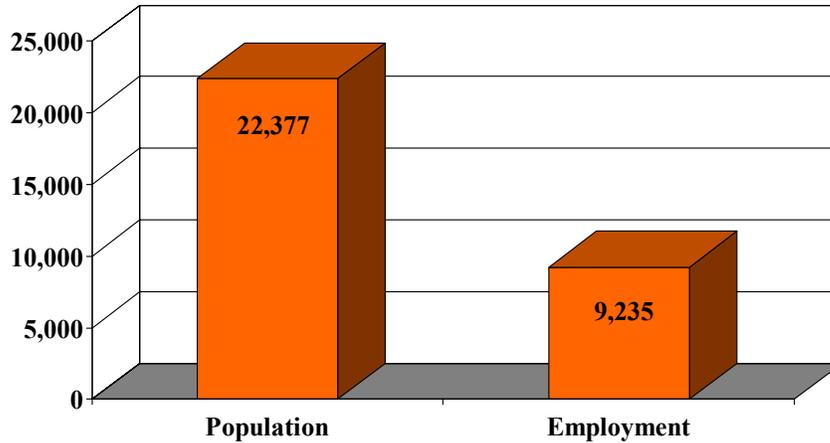




The forecast from SCAG calls for a 13% increase in population between 2000 (19,818) and 2030 (22,377) and a 17% increase in employment (jobs) in the area (7,917 to 9,235 in 2030).



2030 SCAG Forecast by TAZ for Study Area



Infill Opportunities

The area surrounding the light rail station contains a mix of historic Main Street commercial properties, mainly around the station and to the east, industrial and warehouse type properties to the west along Mission Street, and historic houses of varied styles in the residential areas.

Mission Street Specific Plan (MSSP)

The district surrounding the station is subject to the Mission Street Specific Plan. The Mission Street Specific Plan was adopted in 1996 in advance of the construction of the rail line in order to “implement a vision of Mission Street as South Pasadena’s pedestrian-oriented, historic shopping street.” The MSSP included design guidelines to maintain and enhance the historic character of the area as well as enhance the quality of life for South Pasadena residents and rail transit users.

The Mission Street Specific Plan District is shown in purple



Mission Meridian project

The most important project to result from the Mission Street Specific Plan yet has been the development across from the station of the Mission Meridian project. This project will very soon bring 67 units of housing to the station area. The project sets a precedent for future development projects in the area.



Mission Meridian Development

When fully built, the Mission Meridian project will contain 67 market rate residential units divided into lofts, and one to three bedroom condos and townhouses.

Lofts	14 Units
One Bedroom	9 Units



Two Bedrooms	25 Units
Three Bedrooms	19 Units
TOTAL	67 Units

The project site is 1.5 acres, and total building area is over 212,000 sq. ft., of which almost 87,000 sq. ft. is housing, 4,000 sq. ft. is retail, and 111,000 is parking, most of it underground. Open space areas constitute about 34,000 sq. ft. The floor-area ratio (FAR) for the entire project is calculated to be 1.4.

Project Site	1.5 Acres
Lot Coverage	47,986 s.f.
Above Ground Building Area	100,878 s.f.
Total Building Area	212,094 s.f.
FAR	1.40
Housing	86,866 s.f.
Parking	111,216 s.f.
Retail	4,000 s.f.
Bike Station	1,077 s.f.
Laundry	1,513 s.f.
Public	396 s.f.
Open	34,026 s.f.
Utility	1,488 s.f.

The project earned a density bonus granted through the Mission Street Specific Plan in exchange for providing parking spaces available for transit riders. A nearby hospital also secured some dedicated parking for its use at the project site. A total of 324 parking spaces are being provided as part of the project. Of these 114 are dedicated to users of the Gold Line light rail, 122 are for residents, 12 for the associated retail uses, and 48 for hospital use.

Parking distribution

Transit	142 spaces
Residential	122 spaces
Retail	12 spaces
Hospital	48 spaces
Total	324 spaces



Mission Meridian under construction



Housing at Mission Meridian



Source of funding	Amount
MTA Grant	\$2,567,000
State Grants	\$2,000,000
South Pasadena	\$518,888
Total Public Funds	\$5,085,000
Source	Amount
Developer	\$1,500,000
Construction Loan	18,915,000
Total Private	\$20,415,000
TOTAL PROJECT COST	\$25,500,000

The total cost for the project is estimated to be over \$25 million, of which \$20 million come from the private sector, and the rest from a combination of MTA (\$2.5 million), state grants (\$2 million) and the City of South Pasadena (\$518,000).



Infill Analysis of Properties near the Mission Street rail station and within the Mission Street Specific Plan area

FCA created a prototype development in order to test a range of infill potentials under various scenarios. We analyzed the ROI for:

- Two particular South Pasadena properties near the station,
- Those two properties with adjacent properties added to them, and
- All parcels in the MSSP district area meeting the 12% ROI threshold.

Land Use Regulation under MSSP

To create our prototype FCA relied on the land use regulations outlined in the MSSP. The MSSP allows in its "A" district up to 40 foot building heights with a bonus (normal height limit is 32 feet). Parking is restricted for retail space at four spaces per 1,000 sq. ft. Parking for residential units varies according to the number of bedrooms; two-bedroom units require two spaces (which may be tandem), and one-bedroom units require one space (which may not be tandem).

Using Return on Investment (ROI) analysis

FCA relied on a ROI analysis to compare the costs for each development alternative, compared to the benefit (investment return). Using ROI calculations can provide a way to compare various development scenarios. However, the assumptions and values behind the numbers need to be understood in order for ROI to be a meaningful decision making tool for the community and elected officials. The "bottom line", in this case, may not reflect the ultimate goals of the city for its downtown.

It must be noted that generally speaking a threshold of a 12% return on investment is needed for developers to be attracted to pursue development, given an average level of risk.

There are a number of ways to measure a project's success in a downtown. We would like to stress that other "benefits" such as having people living and working in the area, having a safe and vibrant community should generally be considered and may outweigh the financial considerations at the time of choosing a project.

Properties Studied

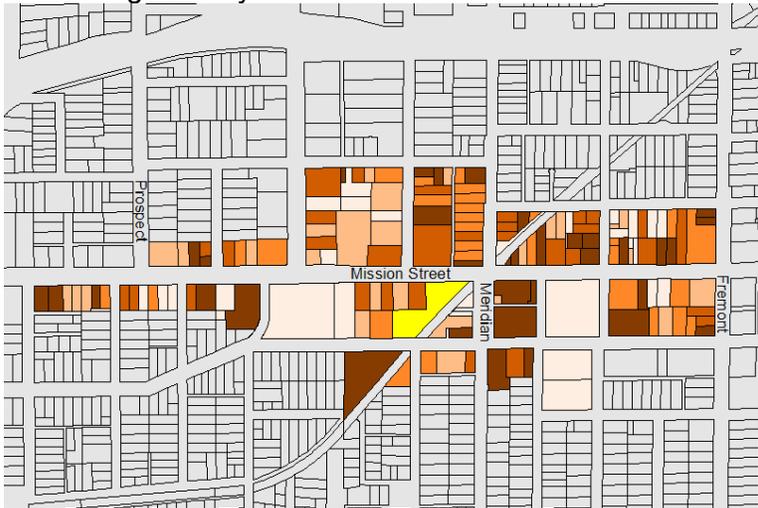
FCA selected a number of alternatives to evaluate the return on investment given the conditions of the sites (size, location, assessed value and land use regulation). The analysis is described below with maps and summarized in a comprehensive table later in the report.



Properties studied in ROI analysis

The first scenario is for the storage facility property at 919 Mission Street, immediately adjacent to the station. It is 1.1 acres in size and is assessed at \$3.2 million. The City was interested in looking at this property due to its strategic placement right next to the station and as a catalyst for infill in the area.

The storage site by the Mission Street Gold Line Station highlighted in yellow.



Due to storage facility's high assessed value, FCA decided to investigate how the return on investment would be affected by including adjacent properties with the hypothetical project. This led to two other scenarios: one including the storage site as well as the rest of the parcels on the block (excluding the two large city

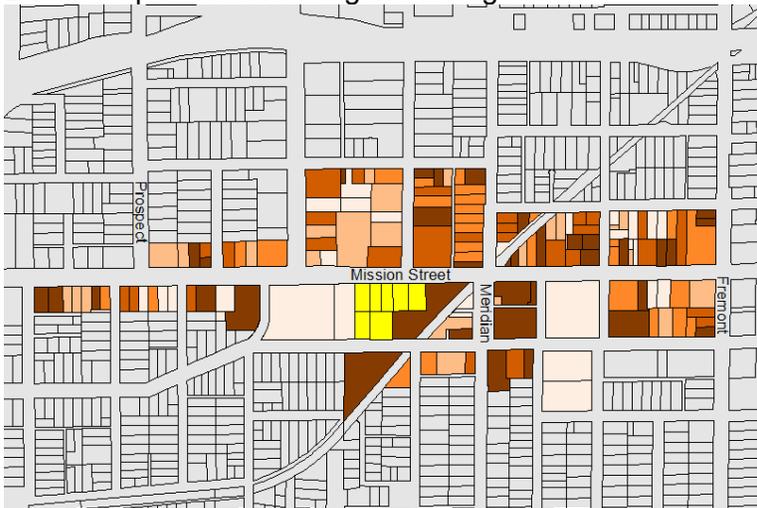


owned parcels to the west); and another scenario, this time not including the storage site.

Bundle of parcels including the storage site



Bundle of parcels excluding the storage site



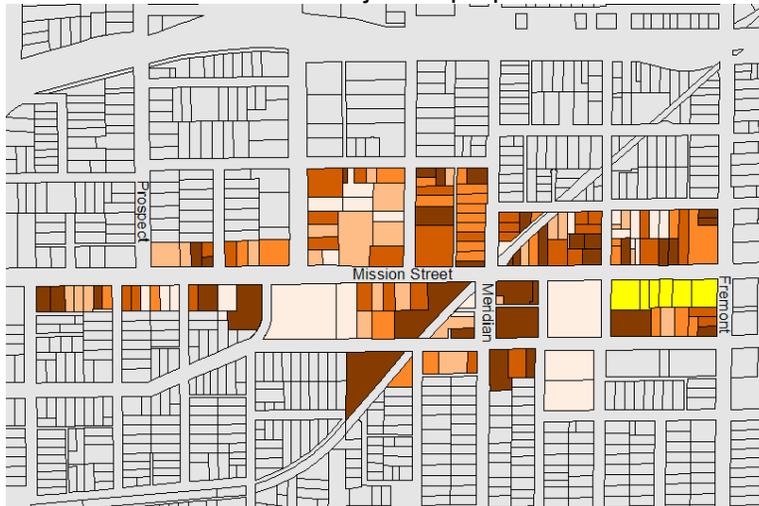
Three more alternatives were analyzed. One involved the vacant lot at the corner of Mission Street and Fremont Avenue (1141 Mission Street). This site was identified by citizens and planning staff as ideal for infill.

1141 Mission Street



As in the case of the storage site, FCA investigated the possibilities of bundling properties adjacent to the vacant lot (especially given the small size of the vacant lot). This became another alternative for study.

1141 Mission Street with adjacent properties



Finally, using the "tipping point" of 12% return on investment in the area, FCA mapped the lots meeting the threshold for infill. This became the final alternative for study.

Land Use and Financial Assumptions

- All the properties assume a 3 story unit with 2 levels of housing and retail on the ground floor.



- Parking requirements are 4 spaces per 1000 sq. ft. for non-residential space, and 1.5 spaces for residential units (using a combination of parking for lofts and tandem parking for one and two bedroom units)
- Each parking space uses an average of 300 sq. ft. There is one level of underground parking and the rest is located in the back of the property.
- The land use development program is used as a generic example. No analysis has been done to calculate, for example, the amount of retail space the study area could support or how traffic circulation would be affected by the developments.

Analysis of the Alternatives

Below is a map showing land value per square foot by parcel. This shows a wide range of values within the study area. These variations reflect a number of factors, including the current use of the property. Some properties may be owned by the City or have low or no assessed value. An in-depth inventory of the area parcels is warranted to better understand the relationship between assessed value and the different properties. In addition, Proposition 13 limitations can seriously distort results, widening the gap between how a property is assessed and its true market value.

The map shows that total assessed value per square foot is most expensive in parcels near the rail station. This fact may make it more difficult for these areas to redevelop.

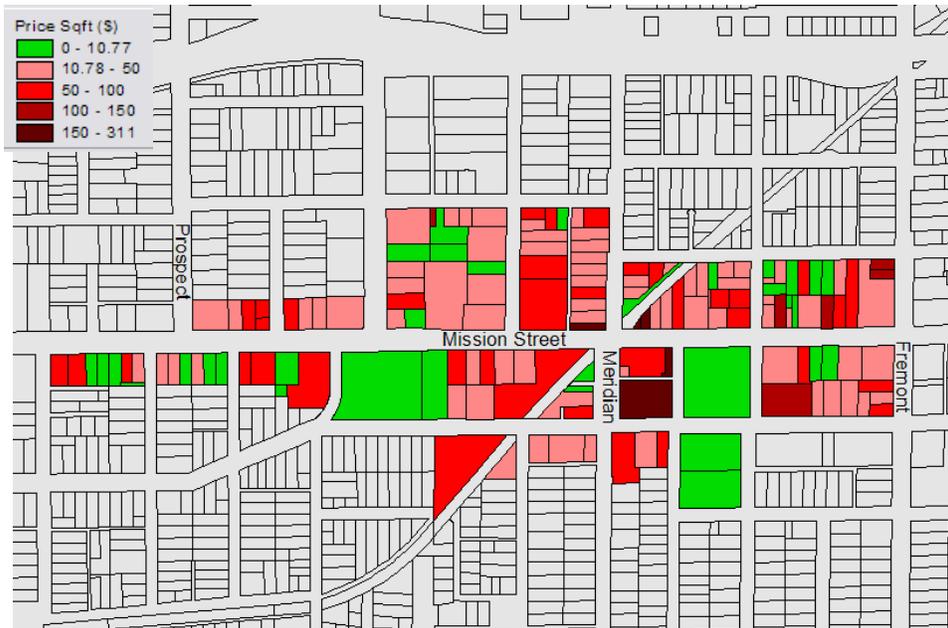


Price per Square Foot, in dollars

As the following map shows, many parcels in the study area do not meet the 12% return on investment threshold for infill. The tipping point for the type of land use envisioned was \$10.77/sq ft. Parcels with assessed values lowered than that appear as green and represent parcels likely to redevelop given the land use program described above. Parcels in red are not likely to redevelop; the



darker the red the less the likelihood of infill since the ROI is too low for investors to be interested without some kind of financial subsidy or other support mechanism.



As can be seen, none of the properties in the study alternatives meets the 12% ROI threshold except for two small parcels close to the Mission and Fremont intersection. Large lots on the south side of Mission showing as redevelopable are public lands, such as playground and city and school property.

The table below shows the details about each alternative. As can be seen, the storage site shows the lowest ROI, with 9.9%. About \$3 million would be needed in subsidy (roughly the price of the existing property) for the development to reach 12% ROI. This subsidy would represent about 17% of the total cost of redeveloping the site.

Bundling properties next to the storage site results in some efficiency, mainly since the value of the properties decreases from \$65/sq. ft. (for the storage site) to \$47/sq. ft. About 128 residential units and 49,000 sq. ft. of retail can be accommodated. The ROI increases to 10.5%. Subsidy, at about \$5.8 million, would be about 13% of the total cost.

Developing the block without the storage site results in even greater efficiency. The ROI increases to 10.9%. Total costs would be about \$26.5 million and result in 80 dwelling units and close to 31,000 sq. ft. of retail space. Subsidy would be 9.5% of total cost, or \$2.5 million.



Analyzing the vacant property on Fremont and Mission results in a different pattern. The vacant parcel falls just short of the threshold. Given that this is a rough estimate, it is very likely that this site could develop without the need of subsidy.

The site would provide 18 dwelling units and 7,200 sq. ft. of retail space. Total costs would be \$5.6 million. As can be seen, total value per sq. ft. is the lowest of all the alternatives except for the combined redevelopable MSSP district.

Bundling this property with the rest of the block resulted in a ROI of 11.2%. Total costs were \$24 million and the site would provide almost 80 dwelling units and 30,000 sq. ft. of retail area. A subsidy of \$1.6 million would be needed to raise the ROI to 12%.

Finally, analyzing all the properties within the district that met the threshold resulted in a potential for 846 housing units and 282,000 sq. ft. of commercial space (which could be office, retail and other non-residential uses). Total costs of development would be \$209 million. Please note that many of the parcels may not be feasible for infill and a more detailed property review is warranted. The complete table below illustrates the ROI analysis findings.



South Pasadena ROI Infill Analysis

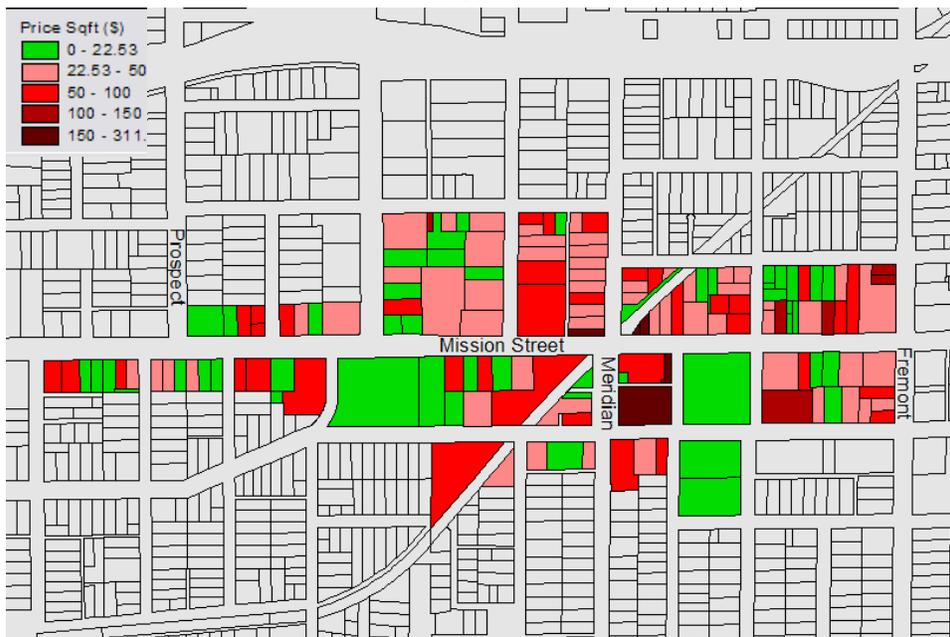
	Storage site at 919 Mission Street	Block with storage site	Block without storage site	SW Corner lot Mission and Fremont at 1141 Mission Street	East block on Mission street	Redevelopable MSSP District
Area in acres	1.1	3.1	2.6	0.4	1.9	15.8
Area in sq ft	49,865	133,249	83,383	19,554	82,803	689,168
Total value	\$ 3,244,000	\$ 6,260,189	\$ 3,016,189	\$ 449,227	\$ 2,411,854	\$ 5,438,616
Total value per acre	\$ 2,833,188	\$ 2,046,482	\$ 1,151,217	\$ 1,000,506	\$ 1,268,729	\$ 343,672
Total value per sq ft	\$ 65.06	\$ 46.98	\$ 36.17	\$ 22.97	\$ 29.13	\$ 7.89
ROI under MSSP	9.9%	10.5%	10.9%	12.0%	11.2%	12.1%
Potential Subsidy to achieve 12%	\$ 3,045,756	\$ 5,764,942	\$ 2,533,001	\$ 0	\$ 1,677,722	\$ 0
Subsidy as % of Cost	17.4%	13.1%	9.5%	0%	7.0%	0%
Total Building Costs	\$ 17,469,418	\$ 44,032,436	\$ 26,562,740	\$ 5,644,971	\$ 24,058,562	\$ 209,966,167
Net Operating Income	\$ 1,728,354	\$ 4,618,499	\$ 2,890,110	\$ 677,755	\$ 2,870,007	\$ 26,541,137
Total building area in sq ft	73,508	196,427	122,918	28,825	122,063	1,128,810
Total housing area in sq ft	55,131	147,321	92,189	21,619	91,547	846,607
Total retail area in sqft	18,377	49,107	30,730	7,206	30,516	282,202
FAR	1.47	1.47	1.47	1.47	1.47	1.47
Number of parking spaces	145	388	243	57	241	1,975
Potential dwelling units	47	128	80	18	79	846
Retail employment (1 job per 450 sq ft)	40	109	68	16	67	627
Number of parcels	1	8	7	1	6	37
Number of owners currently	1	5	4	1	5	20

Changing the land use assumptions

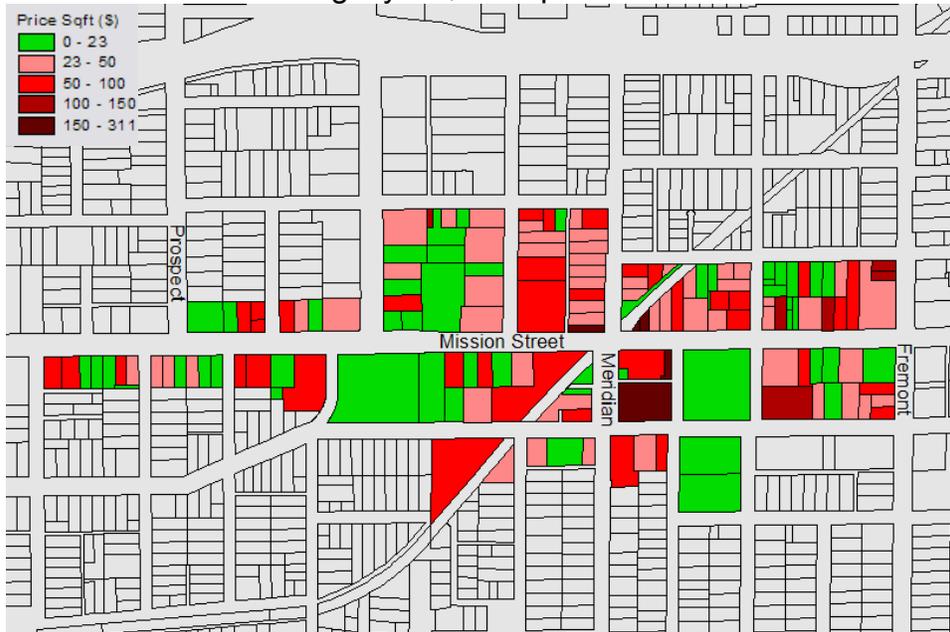
To allow 4 stories to be built in the MSSP area, it would be necessary to raise the height limit from a maximum of 40 feet (for bonus sites) to 45 feet. These extra five feet can be aesthetically mitigated to fit the character of the district and yet can yield important benefits to the infill potential of the area.

Below is a map showing the infill potential of the district *if* 4-story buildings were allowed by the code. For purposes of comparison, all the assumptions of the previous land use program remain; the only change was the addition of a fourth floor.

Threshold of \$22.53/ sq. ft.



Threshold increases slightly to \$23/ sq ft



As can be observed in the last two maps, the number of redevelopable properties in the district increases since the 12% ROI results in a total value per sq. ft. of between \$22.5 and \$23/ sq. ft. There are between 57 and 59 properties meeting the threshold, compared to 37 for the 3-story development.

South Pasadena ROI Infill Analysis, New Height Limit



	Storage site at 919 Mission Street	Block with storage site	Block without storage site	SW Corner lot Mission and Fremont at 1141 Mission Street	East block on Mission street	Redevelopable MSSP District
Area in acres	1.1	3.1	2.6	0.4	1.9	15.8
Area in sq ft	49,865	133,249	83,383	19,554	82,803	689,168
Total value	\$ 3,244,000	\$ 6,260,189	\$ 3,016,189	\$ 449,227	\$ 2,411,854	\$ 5,438,616
Total value per acre	\$ 2,833,188	\$ 2,046,482	\$ 1,151,217	\$ 1,000,506	\$ 1,268,729	\$ 343,672
Total value per sq ft	\$ 65.06	\$ 46.98	\$ 36.17	\$ 22.97	\$ 29.13	\$ 7.89
ROI under MSSP	10.2%	10.9%	11.3%	12.0%	11.6%	12.6%
Potential Subsidy to achieve 12%	\$ 2,577,949	\$ 4,031,045	\$ 1,537,333	\$ 26,214	\$ 838,861	\$ -
Subsidy as % of Cost	15.3%	9.5%	6.0%	0.5%	3.7%	0%
Total Building Costs	\$ 16,888,536	\$ 42,480,208	\$ 25,591,405	\$ 5,717,492	\$ 22,770,705	\$ 209,966,167
Net Operating Income	\$ 1,728,354	\$ 4,618,499	\$ 2,890,110	\$ 677,755	\$ 2,870,007	\$ 26,541,137
Total building area in sq ft	73,508	196,427	122,918	28,825	122,063	1,128,810
Total housing area in sq ft	55,131	147,321	92,189	21,619	91,547	846,607
Total retail area in s	18,377	49,107	30,730	7,206	30,516	282,202
FAR	1.47	1.47	1.47	1.47	1.47	1.47
Number of parking spaces	145	389	243	57	242	1,977
Potential dwelling units	48	128	80	19	80	838
Retail space (1 job per 500 sq ft)	41	109	68	16	68	632
Number of parcels	1	8	7	1	6	57
Number of owners	1	5	4	1	5	39

As the table above illustrates the ROI for the different alternatives, while not reaching 12% except in one case (the same property), they are consistently more attractive than for the 3-story development program. For the storage site the ROI increased from 9.9% to 10.2% and for the block without the storage site the ROI increases from 10.9% to 11.3%, fairly close to the threshold. This improvement in ROI results in substantially less subsidy needed. For the storage site to redevelop the subsidy needed is now about \$2.577 million or \$468,000 less. For the storage site and the adjacent lots to redevelop the subsidy needed is now \$4 million or about \$1.73 million less than before. For the same block but without the storage facility the difference in subsidy is almost \$1 million.

It is interesting to note that going from 3 to 4 stories did not result in an increase in the number of residential units or in the amount of retail space. This is because it is not feasible to supply the amount of parking that would be required by code for these uses – the parking requirement cannot be met on site and ends up limiting the amount of retail and residential space in the project. Also, with a 4 story building less parking is needed in the underground facility as more can be accommodated at the ground level, decreasing costs overall. Building another level of underground parking would certainly increase densities but also increases the cost of the development.



An alternative that may prove very attractive would be to decrease the off street parking requirement to 2 spaces per 1,000 of non residential and 1.5 spaces per residential unit. This is commonly used in many urban centers and transit oriented development areas.



Below are some visualizations showing how the storage site looks today and how it could look with a 3-story mixed use building with housing and retail on the ground floor and a 4-story mixed use building also with housing and retail on the ground floor.





Analysis of Caltrans Properties in South Pasadena

As another portion of this demonstration project FCA was asked to analyze properties that have been obtained by Caltrans over the years in order to facilitate the eventual construction of Freeway 710 extension. It was felt that Caltrans had acquired a large number of properties in the city. The City is concerned about the effects of the Caltrans held properties on the rest of the communities' potential.

Identifying Caltrans Properties

The process of identifying the Caltrans-owned parcels within the City of South Pasadena proved more onerous than originally envisioned. In order to assess the location and condition of Caltrans properties FCA reviewed address lists provided by the City and Caltrans, analyzed Geographic Information System (GIS) based parcel data, reviewed and refined property lists at a community meeting and conducted a field survey and obtained photo documentation of the properties.

City of South Pasadena staff initially provided Fregonese Calthorpe Associates (FCA) two lists that contained the addresses of Caltrans-owned parcels within South Pasadena city limits. FCA obtained a third address list in April 2005. A comparison of these lists revealed that they all contained a different number of addresses. Additionally, FCA purchased parcel data through SCAG that included Shapefile data (that allows digital mapping using GIS software) and tax assessor files. This data showed that Caltrans owned only two parcels.

FCA contacted both the data vendor and the Los Angeles County Tax Assessor's office to inquire if there was a problem with the data and why it contained such a small number of Caltrans-owned parcels. The data showed that there was a total of seven parcels owned by the State of California located within the 710 Corridor, and that only two of these parcels (773 Bonita Drive and 877 Flores de Oro) were contained in the original address list. Both the County Assessor's office and the data vendor stated that whoever appears as the owner on the parcel list is not necessarily the actual property owner.

These findings were shown to South Pasadena city staff and residents at a public meeting on May 18. Upon review of the data by city staff and residents, it was determined that the data was incomplete and that more Caltrans-owned parcels existed within the city limits than those shown on the maps. As a result, it was agreed that FCA would secure the most recent address list of State-owned parcels within the 710 Corridor from Caltrans and conduct a field survey with photo documentation of the properties within South Pasadena.

LandTrans, a firm working with FCA on this data, secured a list of Caltrans-owned parcels located within the city of South Pasadena on May 31, 2005. The



list contained 115 addresses. On June 13, a complete set of parcel maps for the entire 710 Corridor within South Pasadena was purchased from Caltrans, and the field survey and photo documentation was conducted between June 14 and 20. The list includes both photos of the properties and a spreadsheet detailing the type of structure, number of units, historic character, and architectural features.

The field survey and subsequent meetings with South Pasadena staff identified the following characteristics of the Caltrans-owned parcels:

Number of Parcels	115
Number of Dwelling Units	106
Number of Lots	91
Historic/Culturally Significant Structures	7

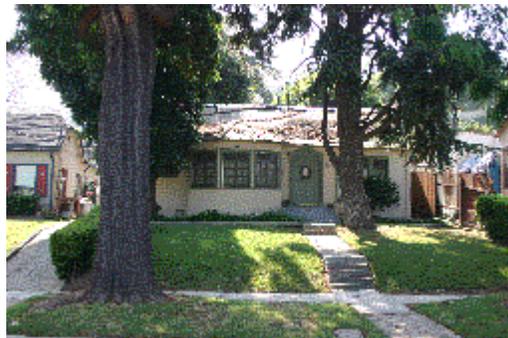
Dwelling Units per Lot	Number of Lots
16	1
6	1
2	8
SFR Detached	
• Occupied	59
• Vacant	12
Vacant Lot	10



775 Bonita Drive



815 Bonita Drive





Vacant lot at 825 Bonita Drive

1707 Meridian Ave.

Opportunities for the City of South Pasadena to Gain Control of Caltrans Parcels

The Roberti Bill (SB 86) was enacted in 1979 requires state agencies to dispose of surplus residential property in accordance with the following priorities and procedures:

1. Offer all single-family residences presently occupied by their former owners to such former owner at the appraised fair market value.
2. Offer single-family residence to the present occupants who have occupied the property for 2 or more years who are persons of low or moderate income.
3. Offer single-family residence to the present occupants who have occupied for 5 years or more and whose household income does not exceed 150% of the area’s median household income.
4. Offer all other surplus residential properties and those not purchased pursuant to paragraphs 1 and 2 to housing-related public and private entities for affordable rents and prices.
5. Offer all property not sold, and all other surplus residential property, at fair-market value with preference to purchasers who will occupy the property.

Under these terms, the best possibility for the city to gain control of the Caltrans-owned parcels lies with those that currently contain a vacant residence or those that consist of a vacant lot. The following table lists the address of these parcels as identified by the field survey.

Vacant Single Family Residence	Vacant Lot
825 Bonita Avenue	2006 Berkshire Drive
1109 Columbia Street	728 Bonita Drive
302 Fairview Avenue	215 Fairview Avenue
1030 Foothill Street	401 Fremont Avenue
1011 Foothill Street	410 Fremont Avenue*
217 Fremont Avenue	1109 Grevalia Street
225 Fremont Avenue	1022 Magnolia Street
1110 Glendon Way	508 Meridian Avenue
1037 Grevalia Street	807 Rollin Street
1039 Grevalia Street	804 Valley View
1033 Highland Street	
911 Monterey Road	



*Note: 410 Fremont Avenue appears to be occupied by the back yard of 415 Oaklawn.

Conclusions

Below are our conclusions based on the analysis presented above. A more detailed review would be needed to estimate with greater certainty the true costs and potential demand for each of the projects. To reiterate, the return on investment analysis is not a replacement for a full pro forma analysis but rather it is to be used mainly as a policy tool to estimate policy effects on infill.

1. It seems unlikely that developers could redevelop a property and create a new building that is only 2 or 3 stories tall, as currently allowed by the MSSP, without some substantial subsidies of some kind. This is due in large part to the high land costs in the study area, especially around the station, as provided by the Los Angeles County assessor's office (which may not reflect true prices, which are likely higher than reported). The City should consider allowing five additional feet in height in strategic areas of downtown to increase the likelihood of infill with lower or no public subsidies.
2. The storage site, while highly desirable to redevelop due to its location relative to the rail station and its potential as a catalytic site, seems to be very expensive and difficult to redevelop under current land use regulations. Other sites, specifically the vacant lot on the southwest corner of Mission and Fremont, offer more promise for infill.
3. We believe more parcels would redevelop, as seen in the maps showing green parcels, if the maximum number of floors allowed in the district is increased to 4 stories. A well designed four story building may not exceed 45 feet and could complement the character of the district. Forty-five feet (five more than currently allowed) also allows cost efficiencies in construction provided by the Uniform Building Code.
4. While not analyzed, it is very likely that a reduction in parking requirements for both residential and non residential uses will increase the return on investment and reduce the need for subsidy. Alternatives should explore off street parking requirement of 2 spaces per 1,000 of non residential and 1.5 spaces per residential unit. These are commonly used parking standards found in many urban centers and transit oriented development areas.
5. The downtown study area saw a decrease in the number of households and population from 1990 to 2000. The addition of the Mission Meridian project and the active implementation of the MSSP may help reverse this trend, helping to enliven downtown. It would be very useful to evaluate



transit use at the rail station, parking and traffic issues in the area and economic effects on the district once the project is complete and tenants are allowed to move in.

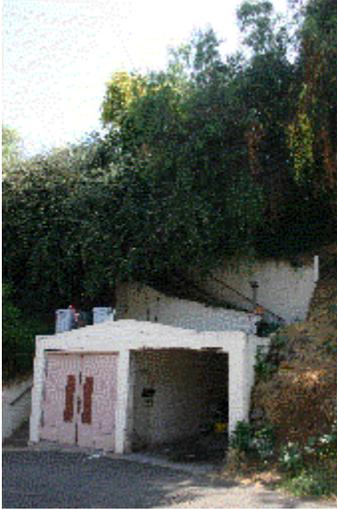
6. FCA identified, mapped, photographed and inventoried all the Caltrans properties in South Pasadena. Photos and the inventory will be assembled on a CD. Accompanying this memo and the CD are maps, obtained from Caltrans, detailing the location of the properties. We found the properties to be of a variety of styles and in a wide range of conditions; some in serious disrepair and others in good condition, some used by numerous households and others used by a single family, etc. A study of these properties would reveal in greater detail which properties are in need of rehabilitation and identify which properties may be negatively affecting the surrounding neighborhoods.
7. The acquisition of Caltrans property by the City may be difficult due to the 1979 Roberti Bill, which gives preference to existing or previous tenants. A better strategy, rather than purchasing Caltrans housing, may be to acquire vacant lots owned by Caltrans for the development of affordable housing or other public use.



534 Orange Grove Avenue



1041/1043 Magnolia Street



885 Oneota Drive



530 Orange Grove Avenue