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To:
Office of the City Clerk, Mark Jomsky
mjomsky@cityofpasadena.net

Re: City of Pasadena priority to purchase under Cal. Code Regs. Tit. 21, § 1483 - Priority 3

Dear Mr. Jomsky,

Please distribute the following letter to the Pasadena City Council, for review and as part of the record for closed session on **Monday, February 9, 2026**.

INTRODUCTION

Caltrans Tenants in Pasadena are facing significant obstacles in their efforts to buy their homes at Fair Market Value from Caltrans through the 710 Corridor Sales Program.

Substantive complaints have been raised with both Caltrans and with legislators and local officials, regarding disqualifications from the sales program. There are also serious concerns regarding the violation of escrow agreements (with some tenants being told they will now be waiting up to 7 years to complete escrow), questions regarding the results of inspections and appraisals, concerns about the level of service provided by Veterans Realty Group (contractors to Caltrans), and disputes over the final sales price proposed by Caltrans.

None of these obstacles were anticipated by laws governing the sales program (the Roberti Act). All of these problems have arisen from the Department of Transportation's highly contentious regulatory process, and their systematic unwillingness to execute the program in a timely and equitable manner. This pattern of confusion, delay, and unfairness towards tenant-purchasers threatens to result in unnecessary lawsuits, unnecessary displacements, and the wholesale shifting of costs and burdens on to tenant-purchasers, many of whom are elderly, and all of whom are long-time District 6 residents and constituents.

The City of Pasadena is in a position to potentially solve these problems for Fair Market purchasers by circumventing the current process in a few basic steps. We propose that the City of Pasadena make use of its priorities under the Roberti Act to buy these homes and then sell them to the current occupants. By doing this, the City may also be in a position to profit from a number of market rate sales.

SCENARIO

There are two kinds of eligible Caltrans tenants:

- 1) Tenants who have been wrongfully disqualified from purchasing their home at Fair Market Value, but would still like to buy.
- 2) Tenants who remain eligible to purchase but cannot come to an agreement with Caltrans due to irregularities in the process (Caltrans refuses to share inspection reports, explain the fair market value calculation, account for substantive repair concerns, etc.)

In both situations, the City can sign an MOU/double escrow agreement with the current tenant. This agreement would allow for the City of Pasadena to exercise their priority to purchase the home from Caltrans under Priority 3 of the regulations, at the original purchase price, and then to sell to the current tenant at the Fair Market Value, minus the cost of repairs. According to the current sales program regulations, it should only require that the current occupant give up their priority to purchase (if not already wrongfully disqualified) with the agreement that the City will exercise their priority to purchase and enter into a double escrow with the occupant. No judgement, approval, or intervention should be necessary on the part of Caltrans.

REPAIRS and FINANCING

The cost of repairs would be determined by City inspectors and licensed appraisers, using realistic comparables that take into consideration the likely functional obsolescence of most of these properties, which have not been improved or renovated for over 60 years. The City may also take into consideration prevailing wages for repairs, if legally required.

Tenants should be consulted on appropriate financing options, especially considering the condition of these homes. FHA 203(k) mortgages were used by tenants to buy Caltrans homes in the City of Los Angeles and a similar arrangement could benefit Pasadena tenant-purchasers. (<https://www.hud.gov/hud-partners/single-family-mortgage-programs-203k>). Many Caltrans homes require rehabilitation, making them inaccessible to traditional buyers. The FHA 203(k) program solves this problem by allowing buyers to finance purchase and rehabilitation in a single mortgage. They are designed to overcome the limitations of traditional financing and provide homeownership opportunities otherwise limited to investors.

CONCLUSION

We believe the City will be a more equitable and fair business partner, and that they will be more motivated to complete the sales in a timely manner. We also believe that the City of Pasadena is better positioned than Caltrans to structure sales compatible with 203(k) requirements, where necessary, and to coordinate inspections and compliance. Furthermore, we believe that the profits should go to the city of Pasadena and not the Department of Transportation. The

Department has a constitutional duty under Article XIX of the California Constitution to mitigate the environmental impacts of their projects. The profit made from market rate sales could go into a rehabilitation fund for the repair of further Caltrans properties (the affordable purchase homes) or towards affordable housing, in part necessitated by the destruction of hundreds of Pasadena homes by the 710 and 210 freeway projects.

Thank you for your time and consideration of this matter.

Signed:

Timothy Ivison, Kelly Brinkman, Ted Miller, David Corrales (Current Pasadena Caltrans tenants)
Roberto Flores, Christopher Sutton (Pasadena Caltrans tenant advocates)