

McMillan, Acquanette (Netta)

From: Robles, Sandra
Sent: Monday, February 9, 2026 1:09 PM
To: McMillan, Acquanette (Netta); Iraheta, Alba
Subject: FW: Argument for the Transfer of Caltrans-Owned Houses to the City of Pasadena

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From: Kelly Brinkman
Sent: Friday, February 6, 2026 12:49:56 PM
To: Jomsky, Mark <mjomsky@cityofpasadena.net>
Cc: Chapman, Justin <cchapman@cityofpasadena.net>; Timothy Ivison ; Roberto Flores
; Christopher Sutton >
Subject: Argument for the Transfer of Caltrans-Owned Houses to the City of Pasadena

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ATTENTION: CITY CLERK

Hello Mark,

I was advised to send this to you and ask that you distribute to the Council for closed session and as part of the record:

Argument for the Transfer of Caltrans-Owned Houses to the City of Pasadena

Overview

The City of Pasadena should assume ownership and control of Caltrans-owned residential properties within its jurisdiction in order to advance affordable housing goals, stabilize neighborhoods, and ensure transparent, community-centered disposition of public land. Transferring these homes to city control would allow Pasadena to sell properties directly to affordable and market-rate owner-occupants using FHA 203(k) rehabilitation mortgages, while also collecting interim rental revenue. This approach would eliminate unnecessary intermediaries, including Veterans Realty Group, reduce costs, and align housing outcomes with local priorities rather than state-level asset liquidation goals.

1. Local Control Ensures Better Housing Outcomes

Caltrans is a transportation agency, not a housing authority. Its mandate is infrastructure, not long-term neighborhood stewardship. As a result, Caltrans' property disposition process prioritizes expediency and liability reduction over community stability.

By contrast, the City of Pasadena:

Has direct accountability to residents

Understands neighborhood-specific housing needs

Is already tasked with meeting state-mandated housing production goals (RHNA)

Has existing housing, planning, and code enforcement infrastructure

Local control ensures these homes are treated as housing assets, not surplus land.

2. Elimination of Middlemen Reduces Cost and Increases Transparency

The current involvement of Veterans Realty Group introduces:

Additional transaction costs

Reduced transparency

Profit extraction from publicly owned assets

Limited accountability to local residents

Removing Caltrans and third-party brokers from the sales process would:

Preserve more value for the public

Reduce administrative and marketing fees

Allow sales pricing to reflect community goals rather than investor demand

Ensure ethical, transparent transactions governed by city oversight

Public land should not be monetized through private intermediaries when municipalities can manage sales directly and more responsibly.

3. FHA 203(k) Mortgages Enable Equitable Homeownership

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

Bring properties up to code and modern standards

Build equity through sweat equity and renovation

Access homeownership opportunities otherwise limited to investors

The City of Pasadena is better positioned than Caltrans to:

Structure sales compatible with 203(k) requirements

Coordinate inspections and compliance

Prioritize owner-occupants over speculators

Support first-time and moderate-income buyers

This approach converts deteriorating public assets into stable, owner-occupied housing.

4. Mixed Affordable and Market-Rate Sales Promote Financial Sustainability

A blended strategy—selling some homes as affordable units and others at market rate—allows the city to:

Cross-subsidize affordability without relying solely on grants

Recover public investment

Fund future housing programs

Maintain fiscal responsibility

This balanced model ensures affordability goals are met without burdening taxpayers.

5. Neighborhood Stabilization and Anti-Speculation Benefits

City-led sales can include:

Owner-occupancy requirements

Resale restrictions

Anti-flipping provisions

Local buyer preferences

These protections are difficult to enforce when sales are handled by a state agency or private broker but are standard tools for municipalities committed to long-term stability.

Conclusion

Transferring Caltrans-owned homes to the City of Pasadena is a pragmatic, fiscally responsible, and community-focused solution. It removes unnecessary intermediaries, maximizes public benefit, expands access to homeownership through 203(k) financing, and ensures these homes serve residents—not investors.

Public land should be leveraged to solve public problems. Pasadena is best equipped to do exactly that.

Respectfully,

Kelly Brinkman

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