

Audit: Caltrans spent millions on unnecessary house repairs

By Jack Dolan, Los Angeles Times

California transportation officials have spent millions of dollars making overpriced, unjustified repairs to houses the state owns in and around Pasadena, according to an audit released Thursday.

Caltrans bought the houses decades ago to bulldoze for the long-planned, never built extension of the 710 Freeway. The agency has spent \$22.5 million since 2008 to maintain the homes, but transportation officials are “unable to demonstrate that the repairs were necessary, reasonable or cost-effective,” according to the report by the California State Auditor, which was sparked by a *Times* investigation.

The state is also losing \$22 million per year because tenants, including 15 state employees, are paying far below market rates for rent. Other homes, some of which have been recognized as historical landmarks, have been boarded up and empty for years.

For one of those vacant houses, state officials recently estimated it should have cost \$56,000 to repair a roof and replace the garage. But the cost soared to more than \$184,000 after it was expended to include “miscellaneous interior repairs” – a coat of paint and upgrades to two bathrooms. “Caltrans could provide no evidence of the need for additional work,” the investigators said.

In a six-page response to the audit, Caltrans officials did not dispute the findings and vowed to inspect houses before and after repairs are done in the future to ensure work is

performed properly.

What to do with the hundreds of houses spanning a corridor through Pasadena, South Pasadena and Los Angeles has vexed state officials since the plans for the freeway extension stalled years ago. The properties could be sold, but buying them back would be expensive if the road plan ever gets revived. So state officials settled on renting at least some of them, often cheaply, to boost the supply of low-income housing.

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