

Introduction to New Surplus Land Act

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Overview of Presentation

- Pre-AB 1486 Act
- AB 1486 + Issuance of HCD Guidelines
- SB 747 and AB 480
- Updated HCD Guidelines

Pre AB 1486 Act

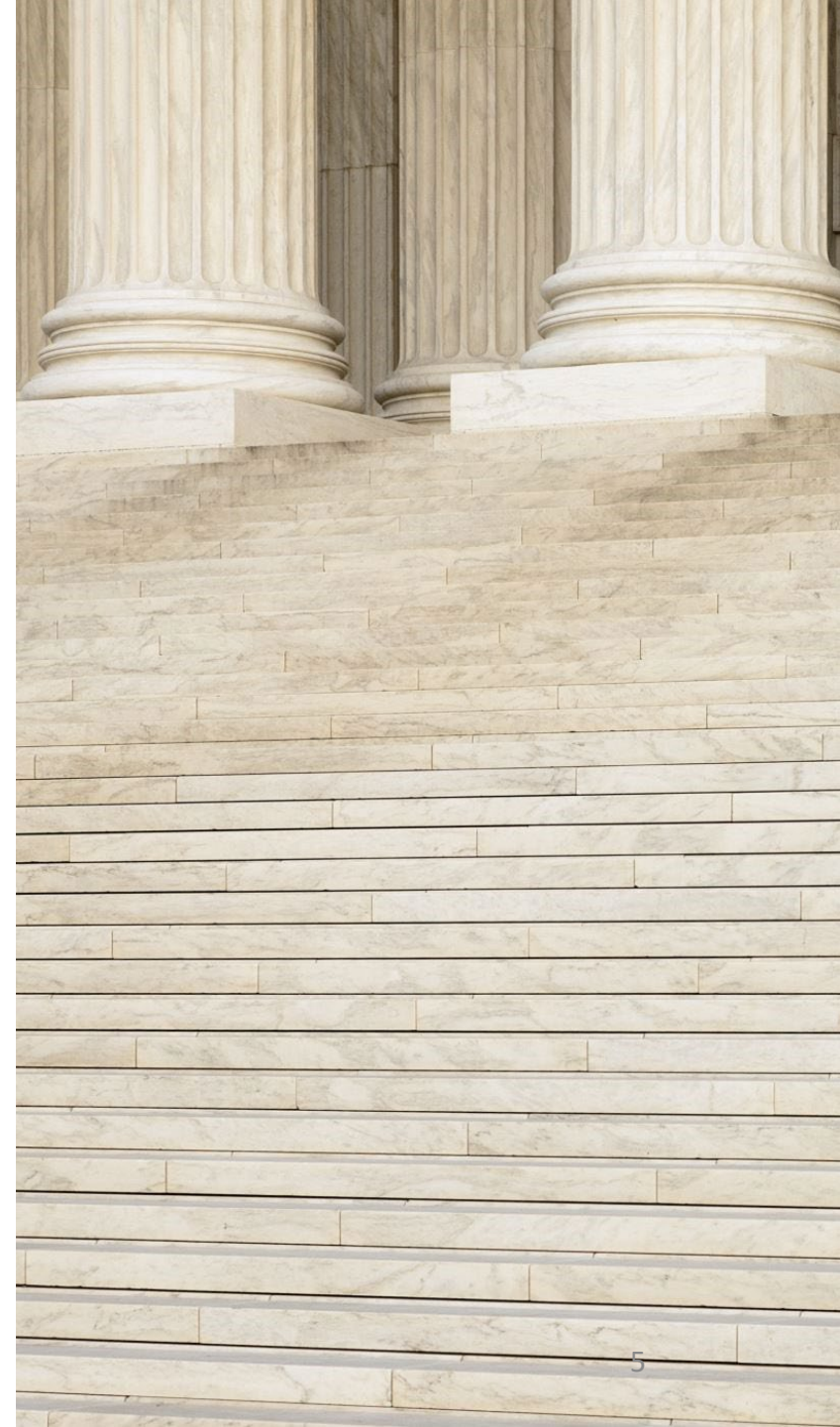
- Surplus land was defined as no longer necessary for agency use, with no requirement to identify surplus land beforehand
- Generally seen as inapplicable to leases
- Limited enforcement mechanisms

AB 1486

- Redefined “surplus land”
- Created new term – “exempt surplus land”
- Established detailed (and onerous) offer and negotiation process
- Enacted enforcement mechanisms and remedies for violations
- Authorized issuance of HCD guidelines

SB 747 and AB 480

- Purpose – to address concerns in the post-AB 1486 world
- Result – both bills passed



SB 747 and AB 480 – Key Changes

- **Streamlined Exemption Declaration:** Agencies can now publish a 30-day notice to declare certain land exempt surplus, removing the requirement for a public meeting finding.
- **Lease Clarification:** The Act applies only to leases over 15 years involving development or demolition, contrasting with previous HCD Guidelines.
- **Expanded "Agency's Use" Definition:** Ports using land for logistic, broadband, or waste disposal purposes, and certain district land for commercial or revenue purposes, are not considered surplus.

SB 747 and AB 480 – Key Changes

- **Enhanced "Valid Legal Restrictions" Definition:** Further criteria define legal restrictions barring housing, qualifying parcels as exempt surplus.
- **New Exempt Surplus Categories:** Includes land sold for development with minimum affordable housing quotas, transfers to community land trusts, and land under airport or transportation agency control.
- **HCD Oversight Requirements:** HCD must maintain an online repository of notices of availability and interested housing developers, enhancing transparency.
- **Exclusion of Pre-Negotiation Activities:** Activities like obtaining appraisals or issuing proposals are not considered negotiation participation, offering clarity to agencies.

SB 747 and AB 480 – Key Changes

- **Clear Limitations on Act's Scope:** Affirms agencies' rights to fair market value, land use decisions, and exemption from the Act in case of conflict with other laws.
- **Penalty Exemption for Non-Substantive Violations:** Non-substantive violations won't incur financial penalties, aiming to focus on substantive breaches affecting affordable housing.
- **Defined "Disposition Value":** Clarifies how financial penalties are calculated, ensuring consistency in determining sale or lease value.
- **Extended ENA Deadline:** Extends the deadline for utilizing Exclusive Negotiating Agreements, providing agencies with more time to adhere to pre-AB 1486 rules.

Other Takeaways

- Economic Opportunity Law and conflicts with law argument
- Endorsement of HCD Guidelines

What's next?

- Updated Surplus Land Act Guidelines

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Thank you

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