


Surplus Land Act

Council Workshop
February 27, 2020

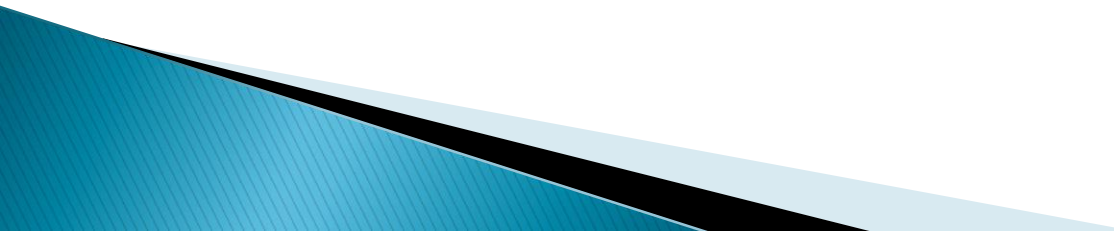
Introduction

- ▶ New Law: AB 1486
 - ▶ Expressly applies to all cities, including charter cities.
 - ▶ Effective January 1, 2020
 - ▶ Applies unless an exclusive negotiating agreement or legally binding agreement to dispose of property was entered on or before September 30, 2019, provided disposition is completed by December 31, 2022
 - ▶ Implementation by Department of Housing and Community Development (HCD) January 1, 2021
- 

Key Changes

- ▶ Requires legislative bodies to take formal action in a regular public meeting to declare land surplus.
 - Previously done at staff level
- ▶ Expands definition of “surplus property”
- ▶ Requires disposing agency to send notice of availability to housing sponsors that have notified the Department of Housing and Community Development (HCD) of their interest. Agencies have 60 days to respond.

Key Changes (cont)

- ▶ Prior to agreeing to terms for disposition, disposing agency must provide information about its disposition process to HCD. HCD has 30 days to review.
 - ▶ Prohibits deal terms that would reduce or disallow residential use.
 - ▶ City must include a listing of specified sites owned by the city that have been sold, leased, or otherwise disposed of in the prior year, including transferee and intended use.
- 

Surplus Land

- ▶ “Surplus land” means land declared surplus in a public meeting that is not necessary for Agency’s use.
- ▶ “Agency’s use” includes land that is being used, or is planned to be used pursuant to a written plan adopted by the Council.
- ▶ “Agency’s use” shall not include commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development. Property disposed of for the sole purpose of investment or generation of revenue shall not be considered necessary for the agency’s use.
- ▶ “Exempt Surplus Land” – Ex: less than 5,000 square feet or former right of way, conveyed to adjacent property owner

Requirements

- ▶ Notices of Availability
 - Housing
 - Open Space
- ▶ If City receives notice of interest, must negotiate in good faith for 90 days
- ▶ Penalties for land sold in violation
 - 30% of final sale price for first violation
 - 50% of final sale price for any subsequent violation

Questions?