

# Informational Presentation III: Surplus Land Act



**Presented to Ross Valley Sanitary District**

**January 27, 2021**

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- ❖ History and Intent of the Surplus Land Act
- ❖ Summary of SLA Requirements
- ❖ Enforcement

- ❖ Original Surplus Land Act passed in 1968
- ❖ Intent: to prioritize reuse of surplus lands for:
  - ❖ Affordable Housing
  - ❖ Parks and Open Space
  - ❖ Schools
- ❖ Applies to public land that is not necessary for the agency's use.
- ❖ AB 1486 – significant changes that took effect January 2020
  - ❖ Expanded definition of “public agency”
  - ❖ More procedural requirements
  - ❖ Expanded role of Housing and Community Development (HCD)
- ❖ HCD Enforcement Authority took effect January 2021
- ❖ HCD guidance not yet finalized

- ❖ Agency declares land surplus
- ❖ No negotiations for sale or lease until a Notice of Availability is sent to:
  - ❖ Local public agencies
  - ❖ Housing sponsors
  - ❖ Other listed entities for open space purposes, schools, etc.
- ❖ If Agency receives notices of interest to buy or lease within 60 days, Agency must participate in “good faith negotiations” with each entity for 90-day period.
  - ❖ If multiple offers, priority to the entity compliant with GC 54222.5 (at least 25% of units are affordable housing)
  - ❖ If more than one entity meets the requirements of 54222.5, then priority to the greatest number of units
  - ❖ If price and terms cannot be reached, land can be disposed (with continuing affordability restrictions)
- ❖ No requirement to dispose of land at less than fair market value

- ❖ Increased role of HCD, including oversight, as of Jan. 2021
- ❖ Penalties for violations are severe
  - ❖ 60 days to cure alleged violation after notice
  - ❖ First violation = 30% of sale price
  - ❖ Subsequent violations = 50% of sale price
- ❖ Third parties may bring action to enforce SLA