

HEATHER HADWICK

MEMBER FOR THE 1ST ASSEMBLY DISTRICT



FACT SHEET

AB 1895 – Exempting Land Unsuitable for Housing from the Surplus Land Act

IN BRIEF

One of the challenges in building new affordable homes in California is acquiring land suitable for housing. The Surplus Land Act aims to make locally owned public land that is no longer needed for government purposes available for building affordable homes.

The Act requires local agencies to send notices about available, surplus land to the California Department of Housing & Community Development (HCD), any local public entity within the jurisdiction where the surplus local land is located, and developers who have notified HCD of their interest in developing affordable housing on surplus local public land.

Prior to agreeing to terms to dispose of surplus property, local agencies must send a description of notices of availability sent, and negotiations conducted, in addition to a copy of any restrictions to be recorded against the property, to HCD for review using HCD forms.

Local agencies spend significant time and resources to comply with the requirements of the Act. The Act does not contain an exemption for rural parcels that are unsuitable for housing development where building homes is infeasible or even impossible.

Assembly Bill 1895 adds land unsuitable for housing development to the 19 other existing definitions for “exempt surplus land,” under the Act.

Specifically, this bill further defines exempt surplus land as land that is physically unsuitable for housing development due to the presence of a flood zone, a fire hazard zone, a sensitive ecological habitat or land instability.

BACKGROUND & ISSUE

El Dorado Irrigation District owned a 10-acre parcel of land far from urban or suburban centers nearly all of which is covered by a natural pond. The parcel had no operational value to the District. However, the pond had long served as a gathering place for nearby residents who use it for fishing, kayaking, and bird watching. The residents organized a non-profit public benefit corporation with a singular purpose—to preserve the community asset by purchasing the parcel from the District for \$1. The District recognized the value of the pond to the local residents and would benefit from reducing its liability exposure by selling the parcel to the nonprofit.

The Act required the District to spend at least 90 days negotiating in good faith with any developers that responded to the notice expressing interest in purchasing the parcel to build housing, even with those developers that submitted a response that reflected no genuine interest or understanding of the natural limitations of subject surplus property.

The Act does not contain an exemption for rural parcels that are unsuitable for housing development where building homes is infeasible or even impossible. HCD refused to allow the sale to proceed unless the District first recorded a covenant permanently restricting the land for low-income housing development of 10 or more residential units. The covenant ensures that surplus land sold below market value is ultimately used for housing, but for the District parcel, the land could not be used for housing, let alone 10 or more residential units.

SOLUTION

AB 1895 would amend the Surplus Land Act to distinguish between surplus land with development potential and land that is unsuitable for housing development.

AB 1895 would not impede the production of affordable housing. It would, however, spare local agencies from spending years complying with requirements of the Act when trying to give away land that no low-income housing developer would attempt to build upon.

AB 1895 also would advance multiple other state laws and policies that discourage development of land in rural areas, including parcels located in the wildland-urban interface, and discourage leap-frog development, increased vehicle travel miles, and the extension of services outside of the jurisdiction of a city or district.

AB 1895 would spare local governments from an expensive and burdensome process that is unnecessary while preserving the spirit of the SLA to spur the production of affordable housing.

SUPPORT

El Dorado Irrigation District (Sponsor)
Association of California Water Agencies

CONTACT

Andrew Nickens
Andrew.Nickens@asm.ca.gov
(916) 319-2011