
SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION

Senator Bill Dodd

Chair

2019 - 2020 Regular

Bill No:	SB 6	Hearing Date:	4/9/2019
Author:	Beall, et al.		
Version:	2/27/2019 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Brian Duke		

SUBJECT: Residential development: available land

DIGEST: This bill requires the Department of Housing and Community Development (HCD) to provide the Department of General Services (DGS) with a list of local lands suitable and available for residential development, and requires DGS to create a public and searchable database of that information as well as information regarding state surplus properties, as specified.

ANALYSIS:

Existing law:

- 1) Requires each state agency to make a review of all proprietary state lands over which it has jurisdiction and to report to DGS on those lands in excess of its foreseeable needs.
- 2) Requires the jurisdiction over lands reported surplus to be transferred to DGS upon request, and requires DGS to report to the Legislature annually on the lands declared surplus.
- 3) Requires DGS to maintain a list of surplus on its Internet Web site, and requires DGS to provide local agencies and, upon request, members of the public with electronic notification of updates to this list.
- 4) Requires DGS, when disposing of surplus state real property, to first offer it to local agencies, then to non-profit affordable housing sponsors, prior to offering it for sale to private entities or individuals.
- 5) Requires a city or county to have a general plan for development with a housing element and to submit the housing element to HCD prior to adopting or

amendment, and requires the housing element to include an inventory of land suitable and available to residential development, as specified.

This bill:

- 1) Requires HCD, on or before December 31 of each year, to provide DGS with a list of lands suitable and available for residential development as identified by local governments in their housing element, as specified.
- 2) Requires DGS to create a database of this information as well as information regarding the state surplus properties, and to make the database available and searchable by the public on its Internet Web site.

Background

Purpose of the bill. According to the author's office, "hard working individuals are struggling to find affordable housing. We must consider all options to eliminate obstacles for construction and increase our housing supply. Developers often do not know when sites are available to develop and which entities manage the land. By utilizing already reported information, SB 6 is a common sense solution that helps developers identify properties ready for acquisition and zoned for development."

California's housing affordability crisis. One of Governor Gavin Newsom's first actions as Governor was Executive Order N-06-19 which stated that California is "experiencing an acute affordable housing crisis that stifles economic growth, contributes to the homelessness epidemic, consumes an ever-growing share of the paychecks of working families, and holds millions of households back from realizing the California dream."

California is home to 21 of the 30 most expensive rental housing markets in the country, which has had a disproportionate impact on the middle class and the working poor. Housing units affordable to low-income earners, if available, are often in series states of disrepair. A person earning minimum wage must work three jobs on average to pay the rent for a two-bedroom unit. HCD estimates that approximately 2.7 million lower-income households are rent-burdened (meaning they spend at least 30 percent of their income on rent), 1.7 million of which are severely rent-burdened (spending at least 50 percent of their income on rent). Not a single county in the state has an adequate supply of affordable homes. According to a 2015 study by the California Housing Partnership Corporation, California has a shortfall of 1.5 million affordable homes and 13 of the 14 least affordable metropolitan areas in the country.

Affordable housing gets right of first refusal on surplus lands. Existing law requires any local agency disposing of surplus land to first offer it for sale or lease for the purpose of developing low- and moderate-income housing. Similarly, existing law requires state surplus property to first be offered to a local agency, and then to a nonprofit affordable housing sponsor, prior to offering the property for sale to private entities or individuals. Existing law also requires DGS to maintain a list of state surplus lands on its website, which it does under the Statewide Property Inventory. There is no similar inventory for local surplus lands, however.

Executive Order N-06-19. The Governor's proposed budget notes that the state has identified many excess state properties that are suitable for housing development. On January 15, 2019, the Governor issued Executive Order N-06-19 which, among other things, does the following:

- a. Directs DGS to create a digitized inventory of all state-owned surplus lands parcels by April 30, 2019.
- b. Directs DGS, HCD, and the California Housing Finance Agency to develop screening tools for prioritizing affordable housing development on these parcels by March 29, 2019.
- c. Directs DGS to create a comprehensive map of excess state parcels where development of affordable housing is feasible and will help address regional underproduction.
- d. Directs state agencies, where appropriate, to consider exchanging excess state land with local governments for purposes of affordable housing development and preservation.
- e. Directs DGS, in consultation with HCD, to begin issuing requests for affordable housing proposals on individual parcels by September 30, 2019.

It is the author's intent that this bill will align with the Governor's directive for DGS to create a more user-friendly inventory of state surplus lands. This bill further requires DGS to work with HCD to incorporate local surplus land data into the inventory.

This bill was previously heard in the Senate Committee on Housing which pointed out that moving forward, the author may wish to consider amendments to require localities to report their local surplus land data to HCD in a standard format. Additionally, the author may wish to explicitly require DGS to regularly update the database with both the data it receives each year from HCD and the state surplus land information.

Prior/Related Legislation

AB 891 (Burke, 2019) would require DGS and the Department of Transportation to identify surplus state properties that are suitable for safe parking programs that provide safe parking locations and options for individuals and families living in their vehicles. (Pending in the Assembly Local Government Committee)

AB 1255 (R. Rivas, 2019) would require DGS to create a public and searchable database of all surplus land, infill sites, and high-density sites as reported to DGS by cities and counties. (Pending in the Assembly Local Government Committee)

AB 1486 (Ting, 2019) would expand requirements on disposition of surplus lands and expands the entities to which these requirements apply. (Pending in the Assembly Local Government Committee)

SB 281 (Wiener, 2019) would require the property known as the Cow Palace to be transferred to a newly established Cow Palace Authority for the purpose of managing, developing, or disposing of the property. (Pending in the Senate Governmental Organization Committee)

SB 922 (Nguyen, 2018) among other things, would have authorized DGS to dispose of surplus state property located within two miles of a higher education campus by first offering the property to a local agency or a nonprofit organization for the development of affordable student housing. (Failed passage in the Senate Governmental Organization Committee)

AB 2135 (Ting, Chapter 677, Statutes of 2014) required surplus local government land sold under preference for affordable housing to provide at least 25 percent of the units for low-income households, and requires such land sold outside the preference system for residential use to provide at least 15 percent of the units for low-income households.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

American Planning Association, California Chapter
California Apartment Association
California Building Industry Association
California Contract Cities Association
California Housing Consortium
California YIMBY

Eden Housing
Irvine Community Land Trust
Northern California Carpenters Regional Council

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: The California Building Industry Association writes in support that SB 6 “will create a centralized database of state and locally owned surplus/vacant land and properties across the state. Having a centralized database can help the development process. As California continues to grapple with an unprecedented housing affordability crises, it is important to identify those legislative proposals that can help increase housing for Californians. Given the gravity of the current housing crises, the staggering shortage of homes available to Californians of diverse income levels, and the massive underproduction of homes needed to keep pace with demand, SB 6 will provide a useful tool.”

DUAL REFERRAL: Senate Housing Committee (11-0) & Senate Governmental Organization Committee