



# City of Rialto

## Legislation Text

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**File #:** CC-19-838, **Version:** 1

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For City Council Meeting [August 13, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Rod Foster, City Administrator

FROM: Fred Galante, City Attorney

Request City Council to Adopt **Resolution No. 7551**, A Resolution of the City Council of the City of Rialto Opposing Assembly Bill 1486, a Bill Amending the Surplus Land Act, and request the City Clerk to distribute the adopted resolution to the League of California Cities and the City's State Legislators.

### **BACKGROUND:**

The City is a member of the California League of Cities ("League"). The League has listed Assembly Bill 1486 ("AB 1486") as a bill before the California Legislature to "watch". This bill amends portions of the Government Code relating to local agency use, management, and disposition of surplus land, and will introduce new regulations in addition to the current statutory scheme for surplus land.

AB 1486 was introduced on February 22, 2019. The Surplus Land Act is an attempt to address California's growing housing shortage by re-directing surplus land to qualified organizations to use for affordable housing purposes. AB 1486 widens the scope of the Surplus Land Act by introducing new regulations described below.

The League's position on AB 1486 is to "watch". The bill is currently in the Senate Appropriations committee, having passed out of committee and approved on the Assembly floor.

### **ANALYSIS/DISCUSSION:**

The Surplus Land Act is intended to address the growing housing crisis in California by introducing regulations which would lead to surplus land being passed from local agencies to low-income housing developers. AB 1486 would impose additional restrictions in addition to the existing scheme. While this is an important objective, the increased restrictions on local agency control of surplus land are far too burdensome and overreaching.

The current surplus land statutory scheme requires that when a local agency, including a city, desires to dispose of their surplus land, it must first offer the land to certain qualified organizations for the purposes of affordable housing development. AB 1486 makes three important changes, amongst others, to this process.

First, AB 1486 redefines and broadens the circumstances under which a public agency must undergo the surplus land disposition process. Specifically, AB 1486 expands the definition of disposing of property to include leasing of land, regardless of the length of the lease. Public agencies lease property for a variety of reasons in support of their governmental operations and public purposes, and rarely do so perpetually. AB 1486 would unduly stifle this practice.

Second, AB 1486 contains a zoning override for surplus property. This provision would require public agencies to offer-up their surplus property for affordable housing purposes, regardless of the current zoning for the property. This leaves a public agency with little control over whether or not new housing will be built in unsuitable or even unsafe locations.

Finally, AB 1486 introduces new restrictions on how public agencies negotiate for the disposition of their surplus land. AB 1486 requires that, when a public agency enters into negotiations for the disposition of its surplus property, it must provide notice of those negotiations to qualified organizations. This effectively disallows informal negotiations, which will make it difficult for a public agency to determine the fair market value of its surplus property. Further, public agencies may only negotiate sale price and lease terms for the disposition of surplus properties with qualified organizations. These limited terms will not allow a public agency to address any substantial and legitimate concerns it may have about the disposition of surplus land. Attached is further analysis of AB 1486 from the Senate Committee on Housing for reference.

To address these concerns, staff recommends that the Council consider expressing opposition to Assembly Bill 1486 by adopting the attached resolution and distributing it to the League of California Cities. The resolution may further be sent directly to the City's legislative representatives.

#### **ENVIRONMENTAL IMPACT:**

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA). A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Pursuant to Section 15378 (b)(5) a project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

#### **GENERAL PLAN CONSISTENCY:**

The request is consistent with Guiding Principle 3A of the Rialto General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

#### **LEGAL REVIEW:**

The City Attorney has reviewed and approved the staff report.

#### **FINANCIAL IMPACT:**

There is no financial impact to the City.

#### **RECOMMENDATION:**

Staff recommends that the City Council a Adopt Resolution, A Resolution of the City Council of the

City of Rialto Opposing Assembly Bill 1486, a Bill Amending the Surplus Land Act, and request the City Clerk to distribute the adopted resolution to the League of California Cities and the City's State Legislators.