



June 19, 2019

The Honorable Mike McGuire
Chair, Senate Governance and Finance Committee
State Capitol
Sacramento, CA 95814

RE: Assembly Bill 1486 (Ting) – Oppose Unless Amended [As Amended May 16, 2019]

Dear Senator McGuire:

The organizations listed below regret to inform you that we must oppose Assembly Bill 1486 (Ting) unless it is amended to address our concerns. AB 1486 would place onerous new requirements on public agencies disposing of surplus land. We represent a broad group of public agencies and organizations that hold property necessary to execute our governmental operations.

AB 1486 expands the types of agencies subject to the Surplus Land Act (SLA), by adding sewer, water, utility, and local and regional park districts, joint powers authorities, successor agencies to former redevelopment agencies, housing authorities, and other political subdivisions of this state to the list of agencies that are mandated to follow certain requirements before disposing of surplus land.

As currently drafted, AB 1486 would apply the requirements of the SLA to all land owned by a public agency no longer necessary for the agency's governmental operations. AB 1486 would also narrowly define the term "governmental operations" in a manner that does not contemplate the countless instances where a public agency owns land for a public purpose but does not use the land in its day to day operations. Accordingly, we request that the bill be amended to define "surplus land" as land used for achieving the agency's public purpose rather than merely governmental operations, and that the bill establish a public process for agencies to declare the land in their possession that is surplus.

AB 1486 also would require a local agency to notice the availability of the property prior to participating in any formal or informal negotiations to dispose of the land. There are many reasons for an agency to have informal negotiations, particularly if the disposition is time sensitive. Informal discussions can provide a public agency the opportunity to closely consider the viability of the land for the agency's public purpose, available alternatives, and a good sense of potential market value. A public agency should simply be required to provide notice and negotiate in good faith pursuant to the SLA once it has made a determination to dispose surplus land.

AB 1486 would invalidate any transfer or conveyance of land for value where a public agency did not comply with the requirements of the SLA. This provision would not only be punitive to a bona fide purchaser not subject to the SLA, but also make public agencies' land less marketable when buyers are aware a purchase could be invalidated. With the inclusion of "informal negotiations" as a trigger for the requirements of the SLA under AB 1486, public agencies could be sued and have a land sale invalidated merely based on an informal conversation.

Finally, AB 1486 would create costly reporting requirements for local agencies and put the Department of Housing and Community Development in the new role of enforcing the SLA—even for properties that have not been designated as suitable for residential housing pursuant to a housing element. Our coalition is proposing amendments to better align the bill's reporting and enforcement provisions with current statutory requirements for housing and land use planning.

Recent committee amendments remove the definition of "disposal" which would have required public agencies to offer a right of first refusal before leasing or otherwise conveying their land. This amendment significantly improves the bill and retains public agencies' ability to preserve their land for future use. However, the amendments we are requesting are still necessary to address the issues identified above, before public agencies can implement the bill. While we applaud the author's intent in expanding opportunities for affordable housing, we respectfully request that the bill be amended to make it workable for all types of public agencies and situations.

Sincerely,



Amber King
Legislative Advocate
Association of California
Healthcare Districts



Kris Anderson
Legislative Advocate
Association of California Water
Agencies



Jessica Gauger
Director of Legislative Advocacy
California Association of Sanitation
Agencies



Patrick Welch
Legislative Director for Energy
California Municipal Utilities
Association



Chris Lee
Legislative Representative
California State Association of
Counties



Rylan Gervase
Legislative Representative
California Special Districts Association



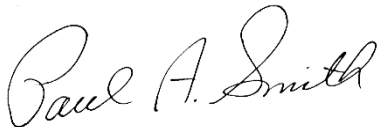
Paul A. Cook
General Manager
Irvine Ranch Water District



Paul E. Shoenberger, P.E.
General Manager
Mesa Water District



Alicia Dunkin
Legislative Affairs Liason
Orange County Water District



Paul Smith
VP, Governmental Affairs
Rural County Representatives
of California



Daniel Ferons
General Manager
Santa Margarita Water District



Jean Hurst
Legislative Advocate
Urban Counties of California

CC: The Honorable Phillip Ting
Members, Senate Governance and Finance Committee
Anton Favorini-Csorba, Consultant, Senate Governance and Finance Committee
Ryan Eisberg, Consultant, Senate Republican Caucus
Ronda Paschal, Deputy Legislative Secretary, Office of Governor Newsom