

Downtown Rohnert Park

AB 1486 – Surplus Land Act Compliance

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What is the Surplus Land Act?

- ▶ Regulates both how we dispose of City land (fee simple) that we no longer need
- ▶ Prioritizes affordable housing, recreation
- ▶ Three types of land
 - Land necessary for agency (City) use
 - Land no longer necessary for agency (City) use but exempt from most provisions of the Act ("**exempt surplus land**")
 - Land no longer necessary for agency (City) use that is not exempt ("**surplus land**")



What is AB 1486?

- ▶ Introduced February 22, 2019
- ▶ Revises scope of the Surplus Land Act
 - Limits what the City can do with property
 - Narrowly defines exempt surplus
 - Requires decision: exempt surplus vs. surplus prior to disposition
 - Adds penalties for violating Surplus Land Act
- ▶ CA Population > Housing Inventory
- ▶ Took effect January 1, 2020
- ▶ Penalty provision took effect January 1, 2021

Surplus Land Act and Rohnert Park

- ▶ We purchased the 6400 State Farm Drive property
- ▶ We own the land “fee-simple”
- ▶ 6400 State Farm Drive is now subject to the Surplus Land Act



Rohnert Park's Two Approaches

- ▶ Surplus Land (not recommended)
 - The City no longer needs the land
- ▶ Exempt Surplus Land – Mixed Use (recommended)
 - The City no longer needs the land
 - Land is greater than 1 acre
 - Land is zoned for mixed use
 - Development will have 300+ housing units
 - 25% of housing will be affordable

How Does It Work?

▶ SURPLUS

1. Declare land surplus
2. Release Notice of Availability
 1. 60-day waiting period
3. Negotiate with respondents
 1. 90-day negotiation period
4. Send disposition to HCD
5. Address HCD's findings
6. Dispose of Land

▶ EXEMPT SURPLUS

1. Send draft exemption to HCD
 1. 30 day response window
2. Declare land exempt surplus
3. Send RFQ/RFP to qualified developers
4. Send final resolution to HCD



RP Declares 6400 State Farm Drive "SURPLUS"
Regular City Council Meeting

RP sends Notice of Availability:
HCD, CalHFA affordable housing, local entities

Response within 60 days

No response within 60 days

RP reviews proposals; good faith negotiations
Prioritize affordable housing

No agreement reached

RP can offer land to other purchasers.
Deed Restriction: 10+ housing units to be build,
must have 15% affordable

*Within 90 days
Parties reach agreement*

RP reports information to HCD:
Notices sent, negotiations,
affordable housing requirements

HCD reports violation of SLA

HCD reports compliance OR no response

**Within 60 days, RP corrects SLA issues
or explains why sale/lease complies
with SLA**

*HCD reports correction
or
agrees with explanation*

RP sells/leases land
Binding agreement with affordable
housing covenants



HCD notifies RP of non-compliance

Nothing good happens here

RP Sends Draft EXEMPT SURPLUS Resolution to HCD
1 + acre, 300+ housing, 25% affordability



*HCD reviews Exempt Compliance
≈30 days to review
Confirms EXEMPT SURPLUS declaration*

RP Declares 6400 State Farm Drive “EXEMPT SURPLUS”
Regular City Council Meeting

RP Notifies HCD of EXEMPT SURPLUS declaration

RP send RFQ/RFP to CalHFA certified developers



NOTES:

- No timeline on disposition once land is declared EXEMPT
- If declaring EXEMPT, the City needs to follow through on EXEMPT provisions (25% affordability, et al)

Benefits of Exempt Surplus Declaration

- ▶ Well suited for 6400 State Farm Development
 - Mixed use, +1 acre
- ▶ Prioritizes affordable housing
 - Meets state and City Council goals
- ▶ Retains flexibility to build retail/hospitality
- ▶ Streamlines HCD approval and disposal
- ▶ Affordable housing net gain for community**



Next Steps

- ▶ Clear the Surplus Land Act
 - Declare the land “exempt surplus” or “surplus”
 - Must be done prior to development or disposal (sale)



Questions?