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GOVERNMENT CODE - GOV

TITLE 5. LOCAL AGENCIES [50001 - 57607] (Title 5 added by Stats. 1949, Ch. 81.)

DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821] (Division 2 added by Stats. 1949, Ch. 81.)

PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7] (Part 1 added by Stats. 1949, Ch. 81.)

CHAPTER 5. Property [54000 - 54262] (Chapter 5 added by Stats. 1949, Ch. 81.)

ARTICLE 8. Surplus Land [54220 - 54234] (Heading of Article 8 amended by Stats. 1982, Ch. 1442, Sec. 1.)

54220. (a) The Legislature reaffirms its declaration that housing is of vital statewide importance to the health, safety, and welfare of the residents of this state and that provision of a decent home and a suitable living environment for every Californian is a priority of the highest order. The Legislature further declares that a shortage of sites available for housing for persons and families of low and moderate income is a barrier to addressing urgent statewide housing needs and that surplus government land, prior to disposition, should be made available for that purpose.

(b) The Legislature reaffirms its belief that there is an identifiable deficiency in the amount of land available for recreational purposes and that surplus land, prior to disposition, should be made available for park and recreation purposes or for open-space purposes. This article shall not apply to surplus residential property as defined in Section 54236.

(c) The Legislature reaffirms its declaration of the importance of appropriate planning and development near transit stations, to encourage the clustering of housing and commercial development around such stations. Studies of transit ridership in California indicate that a higher percentage of persons who live or work within walking distance of major transit stations utilize the transit system more than those living elsewhere, and that lower income households are more likely to use transit when living near a major transit station than higher income households. The sale or lease of surplus land at less than fair market value to facilitate the creation of affordable housing near transit is consistent with goals and objectives to achieve optimal transportation use. The Legislature also notes that the Federal Transit Administration gives priority for funding of rail transit proposals to areas that are implementing higher density, mixed-use, and affordable development near major transit stations.

(Amended by Stats. 2019, Ch. 664, Sec. 1. (AB 1486) Effective January 1, 2020.)

54221. As used in this article, the following definitions shall apply:

(a) (1) "Local agency" means every city, whether organized under general law or by charter, county, city and county, district, including school, sewer, water, utility, and local and regional park districts of any kind or class, joint powers authority, successor agency to a former redevelopment agency, housing authority, or other political subdivision of this state and any instrumentality thereof that is empowered to acquire and hold real property.

(2) The Legislature finds and declares that the term "district" as used in this article includes all districts within the state, including, but not limited to, all special districts, sewer, water, utility, and local and regional park districts, and any other political subdivision of this state that is a district, and therefore the changes in paragraph (1) made by the act adding this paragraph that specify that the provisions of this article apply to all districts, including school, sewer, water, utility, and local and regional park districts of any kind or class, are declaratory of, and not a change in, existing law.

(b) (1) "Surplus land" means land owned in fee simple by any local agency for which the local agency's governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency's use. Land shall be declared either "surplus land" or "exempt surplus land," as supported by written findings, before a local agency may take any action to dispose of it consistent with an agency's policies or procedures. A local agency, on an annual basis, may declare multiple parcels as "surplus land" or "exempt surplus land."

(2) "Surplus land" includes land held in the Community Redevelopment Property Trust Fund pursuant to Section 34191.4 of the Health and Safety Code and land that has been designated in the long-range property management plan approved by the

Department of Finance pursuant to Section 34191.5 of the Health and Safety Code, either for sale or for future development, but does not include any specific disposal of land to an identified entity described in the plan.

(3) Nothing in this article prevents a local agency from obtaining fair market value for the disposition of surplus land consistent with Section 54226.

(4) Notwithstanding paragraph (1), a local agency is not required to make a declaration at a public meeting for land that is "exempt surplus land" pursuant to subparagraph (A), (B), (E), (K), (L), or (Q) of paragraph (1) of subdivision (f) if the local agency identifies the land in a notice that is published and available for public comment, including notice to the entities identified in subdivision (a) of Section 54222, at least 30 days before the exemption takes effect.

(c) (1) Except as provided in paragraph (2), "agency's use" shall include, but not be limited to, land that is being used, or is planned to be used pursuant to a written plan adopted by the local agency's governing board, for agency work or operations, including, but not limited to, utility sites, property owned by a port that is used to support logistics uses, watershed property, land being used for conservation purposes, land for demonstration, exhibition, or educational purposes related to greenhouse gas emissions, sites for broadband equipment or wireless facilities, and buffer sites near sensitive governmental uses, including, but not limited to, waste disposal sites, and wastewater treatment plants. "Agency's use" by a local agency that is a district shall also include land disposed for uses described in subparagraph (B) of paragraph (2).

(2) (A) "Agency's use" shall not include commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development. Property disposed of for the sole purpose of investment or generation of revenue shall not be considered necessary for the agency's use.

(B) In the case of a local agency that is a district, excepting those whose primary mission or purpose is to supply the public with a transportation system, "agency's use" may include commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development or be for the sole purpose of investment or generation of revenue if the agency's governing body takes action in a public meeting declaring that the use of the site will do one of the following:

(i) Directly further the express purpose of agency work or operations.

(ii) Be expressly authorized by a statute governing the local agency, provided the district complies with Section 54233.5 if applicable.

(d) (1) "Dispose" means either of the following:

(A) The sale of the surplus land.

(B) The entering of a lease for surplus land, which is for a term longer than 15 years, inclusive of any extension or renewal options included in the terms of the initial lease, entered into on or after January 1, 2024.

(2) "Dispose" shall not mean either of the following:

(A) The entering of a lease for surplus land, which is for a term of 15 years or less, inclusive of any extension or renewal options included in the terms of the initial lease.

(B) The entering of a lease for surplus land on which no development or demolition will occur, regardless of the term of the lease.

(e) "Open-space purposes" means the use of land for public recreation, enjoyment of scenic beauty, or conservation or use of natural resources.

(f) (1) Except as provided in paragraph (2), "exempt surplus land" means any of the following:

(A) Surplus land that is transferred pursuant to Section 25539.4 or 37364.

(B) Surplus land that is less than one-half acre in area and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes.

(C) Surplus land that a local agency is exchanging for another property necessary for the agency's use. "Property" may include easements necessary for the agency's use.

(D) Surplus land that a local agency is transferring to another local, state, or federal agency, or to a third-party intermediary for future dedication for the receiving agency's use, or to a federally recognized California Indian tribe. If the surplus land is transferred to a third-party intermediary, the receiving agency's use must be contained in a legally binding agreement at the time of transfer to the third-party intermediary.

(E) Surplus land that is a former street, right-of-way, or easement, and is conveyed to an owner of an adjacent property.

(F) (i) Surplus land that is to be developed for a housing development, which may have ancillary commercial ground floor uses, that restricts 100 percent of the residential units to persons and families of low or moderate income, with at least 75 percent of the residential units restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Section 50052.5 or 50053 of the Health and Safety Code, for 55 years for rental housing, 45 years for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability, and in no event shall the maximum affordable sales price or rent level be higher than 20 percent below the median market rents or sales prices for the neighborhood in which the site is located.

(ii) The requirements of clause (i) shall be contained in a covenant or restriction recorded against the surplus land at the time of sale that shall run with the land and be enforceable against any owner who violates the covenant or restriction and each successor in interest who continues the violation.

(G) (i) Surplus land that is subject to a local agency's open, competitive solicitation or that is put to open, competitive bid by a local agency, provided that all entities identified in subdivision (a) of Section 54222 will be invited to participate in the process, for a housing or a mixed-use development that is more than one acre and less than 10 acres in area, consisting of either a single parcel, or two or more adjacent or non-adjacent parcels combined, that includes not less than 300 residential units, and that restricts at least 25 percent of the residential units to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for 55 years for rental housing, 45 years for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability.

(ii) The requirements of clause (i) shall be contained in a covenant or restriction recorded against the surplus land at the time of sale that shall run with the land and be enforceable against any owner who violates the covenant or restriction and each successor in interest who continues the violation.

(H) (i) Surplus land totaling 10 or more acres, consisting of either a single parcel, or two or more adjacent or non-adjacent parcels combined for disposition to one or more buyers pursuant to a plan or ordinance adopted by the legislative body of the local agency, or a state statute. That surplus land shall be subject to a local agency's open, competitive solicitation process or put out to open, competitive bid by a local agency, provided that all entities identified in subdivision (a) of Section 54222 will be invited to participate in the process for a housing or mixed-use development.

(ii) The aggregate development shall include the greater of the following:

(I) Not less than 300 residential units.

(II) A number of residential units equal to 10 times the number of acres of the surplus land or 10,000 residential units, whichever is less.

(iii) At least 25 percent of the residential units shall be restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent pursuant to Sections 50052.5 and 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing, 45 years for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability.

(iv) If nonresidential development is included in the development pursuant to this subparagraph, at least 25 percent of the total planned units affordable to lower income households shall be made available for lease or sale and permitted for use and occupancy before or at the same time with every 25 percent of nonresidential development made available for lease or sale and permitted for use and occupancy.

(v) A violation of this subparagraph is subject to the penalties described in Section 54230.5. Those penalties are in addition to any remedy a court may order for violation of this subparagraph. A local agency shall only dispose of land pursuant to this subparagraph through a disposition and development agreement that includes an indemnification clause that provides that if an action occurs after disposition violates this subparagraph, the person or entity that acquired the property shall be liable for the penalties.

(vi) The requirements of clauses (i) to (v), inclusive, shall be contained in a covenant or restriction recorded against the surplus land at the time of sale that shall run with the land and be enforceable against any owner who violates the covenant or restriction and each successor in interest who continues the violation.

(I) A mixed-use development, which may include more than one publicly owned parcel, that meets all of the following conditions:

(i) The development restricts at least 25 percent of the residential units to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for 55 years for rental housing, 45 years for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability.

(ii) At least 50 percent of the square footage of the new construction associated with the development is designated for residential use.

(iii) The development is not located in an urbanized area, as defined in Section 21094.5 of the Public Resources Code.

(J) (i) Surplus land that is subject to a valid legal restriction that is not imposed by the local agency and that makes housing prohibited, unless there is a feasible method to satisfactorily mitigate or avoid the prohibition on the site. A declaration of exemption pursuant to this subparagraph shall be supported by documentary evidence establishing the valid legal restriction. For the purposes of this section, "documentary evidence" includes, but is not limited to, a contract, agreement, deed restriction, statute, regulation, or other writing that documents the valid legal restriction.

(ii) Valid legal restrictions include, but are not limited to, all of the following:

(I) Existing constraints under ownership rights or contractual rights or obligations that prevent the use of the property for housing, if the rights or obligations were agreed to prior to September 30, 2019.

(II) Conservation or other easements or encumbrances that prevent housing development.

(III) Existing leases, or other contractual obligations or restrictions, if the terms were agreed to prior to September 30, 2019.

(IV) Restrictions imposed by the source of funding that a local agency used to purchase a property, provided that both of the following requirements are met:

(ia) The restrictions limit the use of those funds to purposes other than housing.

(ib) The proposed disposal of surplus land meets a use consistent with that purpose.

(iii) Valid legal restrictions that would make housing prohibited do not include either of the following:

(I) An existing nonresidential land use designation on the surplus land.

(II) Covenants, restrictions, or other conditions on the property rendered void and unenforceable by any other law, including, but not limited to, Section 714.6 of the Civil Code.

(iv) Feasible methods to mitigate or avoid a valid legal restriction on the site do not include a requirement that the local agency acquire additional property rights or property interests belonging to third parties.

(K) Surplus land that was granted by the state in trust to a local agency or that was acquired by the local agency for trust purposes by purchase or exchange, and for which disposal of the land is authorized or required subject to conditions established by statute.

(L) Land that is subject to either of the following, unless compliance with this article is expressly required:

(i) Section 17515, 81192, 81397, 81399, 81420, or 81422 of the Education Code.

(ii) Part 14 (commencing with Section 53570) of Division 31 of the Health and Safety Code.

(M) Surplus land that is a former military base that was conveyed by the federal government to a local agency, and is subject to Article 8 (commencing with Section 33492.125) of Chapter 4.5 of Part 1 of Division 24 of the Health and Safety Code, provided that all of the following conditions are met:

(i) The former military base has an aggregate area greater than five acres, is expected to include a mix of residential and nonresidential uses, and is expected to include no fewer than 1,400 residential units upon completion of development or redevelopment of the former military base.

(ii) The affordability requirements for residential units shall be governed by a settlement agreement entered into prior to September 1, 2020. Furthermore, at least 25 percent of the initial 1,400 residential units developed shall be restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for 55 years for rental

housing, 45 years for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability.

(iii) Before disposition of the surplus land, the agency adopts written findings that the land is exempt surplus land pursuant to this subparagraph.

(iv) Before disposition of the surplus land, the recipient has negotiated a project labor agreement consistent with the local agency's project stabilization agreement resolution, as adopted on February 2, 2021, and any succeeding ordinance, resolution, or policy, regardless of the length of the agreement between the local agency and the recipient.

(v) The agency includes in the annual report required by paragraph (2) of subdivision (a) of Section 65400 the status of development of residential units on the former military base, including the total number of residential units that have been permitted and what percentage of those residential units are restricted for persons and families of low or moderate income, or lower income households, as defined in Section 50079.5 of the Health and Safety Code.

A violation of this subparagraph is subject to the penalties described in Section 54230.5. Those penalties are in addition to any remedy a court may order for violation of this subparagraph or the settlement agreement.

(N) Real property that is used by a district for an agency's use expressly authorized in subdivision (c).

(O) Land that has been transferred before June 30, 2019, by the state to a local agency pursuant to Section 32667 of the Streets and Highways Code and has a minimum planned residential density of at least 100 dwelling units per acre, and includes 100 or more residential units that are restricted to persons and families of low or moderate income, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for 55 years for rental housing, 45 years for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability. For purposes of this subparagraph, not more than 20 percent of the affordable units may be restricted to persons and families of moderate income and at least 80 percent of the affordable units must be restricted to lower income households as defined in Section 50079.5 of the Health and Safety Code.

(P) (i) Land that meets the following conditions:

(I) Land that is subject to a sectional planning area document that meets both of the following:

(ia) The sectional planning area was adopted prior to January 1, 2019.

(ib) The sectional planning area document is consistent with county and city general plans applicable to the land.

(II) The land identified in the adopted sectional planning area document was dedicated prior to January 1, 2019.

(III) On January 1, 2019, the parcels on the land met at least one of the following conditions:

(ia) The land was subject to an irrevocable offer of dedication of fee interest requiring the land to be used for a specified purpose.

(ib) The land was acquired through a land exchange subject to a land offer agreement that grants the land's original owner the right to repurchase the land acquired by the local agency pursuant to the agreement if the land will not be developed in a manner consistent with the agreement.

(ic) The land was subject to a grant deed specifying that the property shall be used for educational uses and limiting other types of uses allowed on the property.

(IV) At least 25 percent of the units are dedicated to lower income households, as defined in Section 50079.5 of the Health and Safety Code, at an affordable rent, as defined by Section 50053 of the Health and Safety Code, or an affordable housing cost, as defined by Section 50052.5 of the Health and Safety Code, and subject to a recorded deed restriction for a period of 55 years for rental units and 45 years for owner-occupied units, unless a local ordinance or a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability.

(V) The land is developed at an average density of at least 10 units per acre, calculated with respect to the entire sectional planning area.

(VI) No more than 25 percent of the nonresidential square footage identified in the sectional planning area document receives its first certificate of occupancy before at least 25 percent of the residential square footage identified in the sectional planning area document has received its first certificate of occupancy.

(VII) No more than 50 percent of the nonresidential square footage identified in the sectional planning area document receives its first certificate of occupancy before at least 50 percent of the residential square footage identified in the sectional planning area document has received its first certificate of occupancy.

(VIII) No more than 75 percent of the nonresidential square footage identified in the sectional planning area document shall receive its first certificate of occupancy before at least 75 percent of the residential square footage identified in the sectional planning area document has received its first certificate of occupancy.

(ii) The local agency includes in the annual report required by paragraph (2) of subdivision (a) of Section 65400 the status of development, including the total square footage of the residential and nonresidential development, the number of residential units that have been permitted, and what percentage of those residential units are restricted for persons and families of low or moderate income, or lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(iii) The Department of Housing and Community Development may request additional information from the agency regarding land disposed of pursuant to this subparagraph.

(iv) At least 30 days prior to disposing of land declared "exempt surplus land," a local agency shall provide the Department of Housing and Community Development a written notification of its declaration and findings in a form prescribed by the Department of Housing and Community Development. Within 30 days of receipt of the written notification and findings, the department shall notify the local agency if the department has determined that the local agency is in violation of this article. A local agency that fails to submit the written notification and findings shall be liable for a civil penalty pursuant to this subparagraph. A local agency shall not be liable for the civil penalty if the Department of Housing and Community Development does not notify the agency that the agency is in violation of this article within 30 days of receiving the written notification and findings. Once the department determines that the declarations and findings comply with subclauses (I) to (IV), inclusive, of clause (i), the local agency may proceed with disposal of land pursuant to this subparagraph. This clause is declaratory of, and not a change in, existing law.

(v) If the local agency disposes of land in violation of this subparagraph, the local agency shall be liable for a civil penalty calculated as follows:

(I) For a first violation, 30 percent of the greater of the final sale price or the fair market value of the land at the time of disposition.

(II) For a second or subsequent violation, 50 percent of the greater of the final sale price or the fair market value of the land at the time of disposition.

(III) For purposes of this subparagraph, fair market value shall be determined by an independent appraisal of the land.

(IV) An action to enforce this subparagraph may be brought by any of the following:

(ia) An entity identified in subdivisions (a) to (e), inclusive, of Section 54222.

(ib) A person who would have been eligible to apply for residency in affordable housing had the agency not violated this section.

(ic) A housing organization, as that term is defined in Section 65589.5.

(id) A beneficially interested person or entity.

(ie) The Department of Housing and Community Development.

(V) A penalty assessed pursuant to this subparagraph shall, except as otherwise provided, be deposited into a local housing trust fund. The local agency may elect to instead deposit the penalty moneys into the Building Homes and Jobs Trust Fund or the Housing Rehabilitation Loan Fund. Penalties shall not be paid out of funds already dedicated to affordable housing, including, but not limited to, Low and Moderate Income Housing Asset Funds, funds dedicated to housing for very low, low-, and moderate-income households, and federal HOME Investment Partnerships Program and Community Development Block Grant Program funds. The local agency shall commit and expend the penalty moneys deposited into the local housing trust fund within five years of deposit for the sole purpose of financing newly constructed housing units that are affordable to extremely low, very low, or low-income households.

(VI) Five years after deposit of the penalty moneys into the local housing trust fund, if the funds have not been expended, the funds shall revert to the state and be deposited in the Building Homes and Jobs Trust Fund or the Housing Rehabilitation Loan Fund for the sole purpose of financing newly constructed housing units located in the same

jurisdiction as the surplus land and that are affordable to extremely low, very low, or low-income households. Expenditure of any penalty moneys deposited into the Building Homes and Jobs Trust Fund or the Housing Rehabilitation Loan Fund pursuant to this subdivision shall be subject to appropriation by the Legislature.

(vi) For purposes of this subparagraph, the following definitions apply:

(I) "Sectional planning area" means an area composed of identifiable planning units, within which common services and facilities, a strong internal unity, and an integrated pattern of land use, circulation, and townscape planning are readily achievable.

(II) "Sectional planning area document" means a document or plan that sets forth, at minimum, a site utilization plan of the sectional planning area and development standards for each land use area and designation.

(vii) This subparagraph shall become inoperative on January 1, 2034.

(Q) Land that is owned by a California public-use airport on which residential uses are prohibited pursuant to Federal Aviation Administration Order 5190.6B, Airport Compliance Program, Chapter 20 -- Compatible Land Use and Airspace Protection.

(R) Land that is transferred to a community land trust, and all of the following conditions are met:

(i) The property is being or will be developed or rehabilitated as any of the following:

(I) An owner-occupied single-family dwelling.

(II) An owner-occupied unit in a multifamily dwelling.

(III) A member-occupied unit in a limited equity housing cooperative.

(IV) A rental housing development.

(ii) Improvements on the property are or will be available for use and ownership or for rent by qualified persons, as defined in paragraph (6) of subdivision (c) of Section 214.18 of the Revenue and Taxation Code.

(iii) (I) A deed restriction or other instrument, requiring a contract or contracts serving as an enforceable restriction on the sale or resale value of owner-occupied units or on the affordability of rental units is recorded on or before the lien date following the acquisition of the property by the community land trust.

(II) For the purpose of this clause, the following definitions apply:

(ia) "A contract or contracts serving as an enforceable restriction on the sale or resale value of owner-occupied units" means a contract described in paragraph (11) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code.

(ib) "A contract or contracts serving as an enforceable restriction on the affordability of rental units" means an enforceable and verifiable agreement with a public agency, a recorded deed restriction, or other legal document described in subparagraph (A) of paragraph (2) of subdivision (g) of Section 214 of the Revenue and Taxation Code.

(iv) A copy of the deed restriction or other instrument shall be provided to the assessor.

(S) (i) For local agencies whose primary mission or purpose is to supply the public with a transportation system, surplus land that is developed for commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development or for the sole purpose of investment or generation of revenue, if the agency meets all of the following conditions:

(I) The agency has an adopted land use plan or policy that designates at least 50 percent of the gross acreage covered by the adopted land use plan or policy for residential purposes. The adopted land use plan or policy shall also require the development of at least 300 residential units, or at least 10 residential units per gross acre, averaged across all land covered by the land use plan or policy, whichever is greater.

(II) The agency has an adopted land use plan or policy that requires at least 25 percent of all residential units to be developed on the parcels covered by the adopted land use plan or policy made available to lower income households, as defined in Section 50079 of the Health and Safety Code, at an affordable sales price or rented at an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for 55 years for rental housing and 45 years for ownership housing, unless a local ordinance or the terms of a federal, state, or local grant, tax credit, or other project financing requires a longer period of affordability. These terms shall be included in the land use plan or policy and dictate that they will be contained in a covenant or restriction recorded against the surplus land at the time of disposition that shall run with the land and be enforceable against any owner or lessee who violates the covenant or restriction and each successor in interest who continues the violation.

(III) Land disposed of for residential purposes shall issue a competitive request for proposals subject to the local agency's open, competitive solicitation process or put out to open, competitive bid by the local agency, provided that all entities identified in subdivision (a) of Section 54222 are invited to participate.

(IV) Prior to entering into an agreement to dispose of a parcel for nonresidential development on land designated for the purposes authorized pursuant to this subparagraph in an agency's adopted land use plan or policy, the agency, since January 1, 2020, must have entered into an agreement to dispose of a minimum of 25 percent of the land designated for affordable housing pursuant to subclause (II).

(ii) The agency may exempt at one time all parcels covered by the adopted land use plan or policy pursuant to this subparagraph.

(2) Notwithstanding paragraph (1), a written notice of the availability of surplus land for open-space purposes shall be sent to the entities described in subdivision (b) of Section 54222 before disposing of the surplus land, provided the land does not meet the criteria in subparagraph (H) of paragraph (1), if the land is any of the following:

(A) Within a coastal zone.

(B) Adjacent to a historical unit of the State Parks System.

(C) Listed on, or determined by the State Office of Historic Preservation to be eligible for, the National Register of Historic Places.

(D) Within the Lake Tahoe region as defined in Section 66905.5.

(g) "Persons and families of low or moderate income" has the same meaning as provided in Section 50093 of the Health and Safety Code.

(Amended by Stats. 2025, Ch. 22, Sec. 7. (AB 130) Effective June 30, 2025.)

54222. Except as provided in Division 23 (commencing with Section 33000) of the Public Resources Code, any local agency disposing of surplus land, declared pursuant to subdivision (b) of Section 54221, shall send, before disposing of that property or participating in negotiations to dispose of that property with a prospective transferee, a written notice of availability of the property to all of the following:

(a) (1) A written notice of availability for developing low- and moderate-income housing shall be sent to any local public entity, as defined in Section 50079 of the Health and Safety Code, that has jurisdiction where the surplus land is located. Housing sponsors, as defined by Section 50074 of the Health and Safety Code, that have notified the Department of Housing and Community Development of their interest in surplus land shall be sent a notice of availability for the purpose of developing low- and moderate-income housing. All notices shall be sent by electronic mail, or by certified mail, and shall include the location and a description of the property.

(2) The Department of Housing and Community Development shall maintain on its internet website an up-to-date listing of, and a link to, all notices of availability throughout the state and a listing of all entities, including housing sponsors, that have notified the department of their interest in surplus land for the purpose of developing low- and moderate-income housing.

(b) A written notice of availability for open-space purposes shall be sent as follows:

(1) To any park or recreation department of any city within which the surplus land is located.

(2) To any park or recreation department of the county within which the surplus land is located.

(3) To any regional park authority having jurisdiction within the area in which the surplus land is located.

(4) To the Natural Resources Agency or any agency that may succeed to its powers.

(c) A written notice of availability of land suitable for school facilities construction or use by a school district for open-space purposes shall be sent to any school district that has jurisdiction where the surplus land is located.

(d) A written notice of availability for developing property located within an infill opportunity zone designated pursuant to Section 65088.4 or within an area covered by a transit village plan adopted pursuant to the Transit Village Development Planning Act of 1994 (Article 8.5 (commencing with Section 65460) of Chapter 3 of Division 1 of Title 7) shall be sent to any county, city, city and county, successor agency to a former redevelopment agency, public transportation agency, or housing authority within whose jurisdiction the surplus land is located.

(e) The entity desiring to purchase or lease the surplus land for any of the purposes authorized by this section shall notify in writing the disposing agency of its interest in purchasing or leasing the land within 60 days after the agency's notice of availability is sent via certified mail or provided via electronic mail.

(f) For the purposes of this section, "participating in negotiations" does not include the any of the following:

(1) The commissioning of appraisals, due diligence prior to disposition, discussions with brokers or real estate agents not representing a potential buyer, or other studies to determine value or best use of land, issuance of a request for qualifications, development of marketing materials, or discussions conducted exclusively among local agency employees and elected officials.

(2) Issuing a request for proposals or request for qualifications to the entities in subdivision (a) of this section for the purposes of complying with subparagraphs (A), (F), (G), (H), or (I) of paragraph (1) of subdivision (f) of Section 54221.

(3) Negotiating a lease, exclusive negotiating agreement, or option agreement for the purposes of complying with subparagraphs (A), (F), (G), (H), or (I) of paragraph (1) of subdivision (f) of Section 54221.

(4) Negotiating with a developer to determine if the local agency can satisfy the disposal exemption requirements described in paragraph (2) of subdivision (d) of Section 54221.

(Amended by Stats. 2024, Ch. 494, Sec. 6. (SB 1514) Effective January 1, 2025.)

54222.3. This article shall not apply to the disposal of exempt surplus land as defined in Section 54221 by an agency of the state or any local agency.

(Amended by Stats. 2019, Ch. 664, Sec. 4. (AB 1486) Effective January 1, 2020.)

54222.3.1. (a) Subject to subdivisions (b) to (g), inclusive, this article shall not apply to the disposal of land by a city with a population exceeding 2,500,000 for use for any of the following purposes:

(1) A Low Barrier Navigation Center, as defined in Section 65660.

(2) Supportive housing, as defined in Section 50675.14 of the Health and Safety Code.

(3) Transitional housing, as defined in subdivision (j) of Section 65582, for youth and young adults. For purposes of this paragraph, "youth and young adults" means persons between 12 and 24 years of age, inclusive, and includes persons who are pregnant and parenting.

(4) Affordable housing. For purposes of this paragraph, "affordable housing" means a housing development with 100 percent of all units in the development, but exclusive of a manager's unit or units, sold or rented to lower income households, as defined by Section 50079.5 of the Health and Safety Code, or an affordable rent set in an amount consistent with the rent limits established by the California Tax Credit Allocation Committee, except that up to 20 percent of the units in the development may be for moderate-income households, as defined in Section 50053 of the Health and Safety Code, or an affordable rent set in an amount consistent with the rent limits established by the California Tax Credit Allocation Committee.

(b) Before land described in subdivision (a) is disposed of the city shall meet both of the following requirements:

(1) The city shall have a housing element that is compliant with law, including, but not limited to, Chapter 3 (commencing with Section 65100) of Division 1 of Title 7, as determined by the Department of Housing and Community Development.

(2) The city shall be designated prohousing pursuant to subdivision (c) of Section 65589.9.

(c) (1) If a city disposes of land pursuant to this section and the development is not in its entirety a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code, construction and rehabilitation work on the land shall meet all of the following conditions:

(A) All construction workers employed in the execution of the development shall be paid at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations pursuant to Sections 1773 and 1773.9 of the Labor Code, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.

(B) The project sponsor shall ensure that the prevailing wage requirement is included in all contracts for the performance of the work for those portions of the development that are not a public work.

(C) All contractors and subcontractors for those portions of the development that are not a public work shall comply with both of the following:

(i) Pay to all construction workers employed in the execution of the work at least the general prevailing rate of per diem wages, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.

(ii) Maintain and verify payroll records pursuant to Section 1776 of the Labor Code and make those records available for inspection and copying as provided in that section. This clause does not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires the payment of prevailing wages to all construction workers employed in the execution of the development and provides for enforcement of that obligation through an arbitration procedure. For purposes of this clause, "project labor agreement" has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(2) (A) The obligation of the contractors and subcontractors to pay prevailing wages pursuant to this subdivision may be enforced by any of the following:

(i) The Labor Commissioner through the issuance of a civil wage and penalty assessment pursuant to Section 1741 of the Labor Code, which may be reviewed pursuant to Section 1742 of the Labor Code, within 18 months after the completion of the development.

(ii) An underpaid worker through an administrative complaint or civil action.

(iii) A joint labor-management committee through a civil action under Section 1771.2 of the Labor Code.

(B) If a civil wage and penalty assessment is issued pursuant to this paragraph, the contractor, subcontractor, and surety on a bond or bonds issued to secure the payment of wages covered by the assessment shall be liable for liquidated damages pursuant to Section 1742.1 of the Labor Code.

(C) This paragraph does not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires the payment of prevailing wages to all construction workers employed in the execution of the development and provides for enforcement of that obligation through an arbitration procedure. For purposes of this subparagraph, "project labor agreement" has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(3) Notwithstanding subdivision (c) of Section 1773.1 of the Labor Code, the requirement that employer payments not reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing does not apply to those portions of the development that are not a public work if otherwise provided in a bona fide collective bargaining agreement covering the worker.

(4) The requirement of this subdivision to pay at least the general prevailing rate of per diem wages does not preclude use of an alternative workweek schedule adopted pursuant to Section 511 or 514 of the Labor Code.

(d) A city may dispose of land pursuant to this section for a project involving construction or rehabilitation of 40 or more housing units only if the work will be subject to a project labor agreement. For purposes of this subdivision, "project labor agreement" has the same meaning as in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code. This subdivision does not apply to projects for the construction or rehabilitation of low barrier navigation centers pursuant to paragraph (1) of subdivision (a).

(e) The city shall include in the annual report required by paragraph (2) of subdivision (a) of Section 65400 the status of a development of land disposed of pursuant to this section, including, but not limited to, all of the following information:

(1) The total square footage of the residential and nonresidential development.

(2) The total square footage of low barrier navigation centers.

(3) The number of residential units and beds that have been permitted.

(4) The percentage of the residential units that have been permitted that are restricted for persons and families of low or moderate income, or lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(f) (1) The Department of Housing and Community Development may request additional information from the city regarding land disposed of pursuant to this section.

(2) Notwithstanding subdivision (g), a city that responds to the Department of Housing and Community Development pursuant to this subdivision shall not be liable for a civil penalty if the city is not notified by the Department of Housing and Community Development that the proposed disposal would violate this section within 30 days of receiving the requested information. A city shall have 60 days to cure or correct an alleged violation before an action may be brought to enforce this section, unless the city

disposes of the land before curing or correcting the alleged violation, or the department deems the alleged violation not to be a violation in fewer than 60 days.

(g) (1) If the city disposes of land in violation of this section, the city shall be liable for a civil penalty calculated as follows:

(A) For a first violation, 30 percent of the greater of the final sale price or the fair market value of the land at the time of disposition, or in the case of a lease, the discounted net present value of the fair market value of the lease as of the date the lease was entered into.

(B) For a second or subsequent violation, 50 percent of the greater of the final sale price or the fair market value of the land at the time of disposition, or in the case of a lease, the discounted net present value of the fair market value of the lease as of the date the lease was entered into.

(2) For purposes of paragraph (1), fair market value shall be determined by an independent appraisal of the land or lease, as applicable.

(3) An action to enforce paragraph (1) may be brought by any of the following:

(A) An entity identified in subdivisions (a) to (e), inclusive, of Section 54222.

(B) A person who would have been eligible to apply for residency in affordable housing had the city not violated this section.

(C) A housing organization, as that term is defined in Section 65589.5.

(D) A beneficially interested person or entity.

(E) The Department of Housing and Community Development.

(4) A penalty assessed pursuant to this subdivision shall, except as otherwise provided, be deposited into a local housing trust fund. The city may elect to instead deposit the penalty moneys into the Building Homes and Jobs Trust Fund or the Housing Rehabilitation Loan Fund. Penalties shall not be paid out of funds already dedicated to affordable housing, including, but not limited to, Low and Moderate Income Housing Asset Funds, funds dedicated to housing for very low, low-, and moderate-income households, and federal HOME Investment Partnerships Program and Community Development Block Grant Program funds. The city shall commit and expend the penalty moneys deposited into the local housing trust fund within five years of deposit for the sole purpose of financing newly constructed housing units that are affordable to extremely low, very low, or low-income households.

(5) Five years after deposit of the penalty moneys into the local housing trust fund, if the funds have not been expended, the funds shall revert to the state and be deposited in the Building Homes and Jobs Trust Fund or the Housing Rehabilitation Loan Fund for the sole purpose of financing newly constructed housing units located in the same jurisdiction as the surplus land and that are affordable to extremely low, very low, or low-income households. Expenditure of any penalty moneys deposited into the Building Homes and Jobs Trust Fund or the Housing Rehabilitation Loan Fund pursuant to this subdivision shall be subject to appropriation by the Legislature.

(h) This section shall not be construed to impose or affect any requirement applicable to disposals of land under any other provision of this article, including, but not limited to, any requirement for notice.

(i) This section shall remain in effect only until January 1, 2034, and as of that date is repealed.

(Added by Stats. 2023, Ch. 769, Sec. 1. (AB 1734) Effective January 1, 2024. Repealed as of January 1, 2034, by its own provisions.)

54222.5. An entity proposing to use the surplus land for developing low- and moderate-income housing shall agree to make available not less than 25 percent of the total number of units developed on the parcels at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Rental units shall remain affordable to, and occupied by, lower income households for a minimum of 55 years for rental housing, 45 years for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with paragraph (2) of subdivision (c) of Section 65915. These requirements shall be contained in a covenant or restriction recorded against the surplus land at the time of sale, that shall run with the land and shall be enforceable, against any owner who violates a covenant or restriction and each successor in interest who continues the violation, by any of the following:

(a) The local agency that disposed of the surplus land.

(b) A resident of a unit subject to this section.

(c) A residents' association with members who reside in units subject to this section.

(d) A former resident of a unit subject to this section who last resided in that unit.

(e) An applicant seeking to enforce the covenants or restrictions for a particular unit that is subject to this section, if the applicant conforms to all of the following:

(1) Is of low or moderate income, pursuant to Section 50093 of the Health and Safety Code.

(2) Is able and willing to occupy that particular unit.

(3) Was denied occupancy of that particular unit due to an alleged breach of a covenant or restriction implementing this section.

(f) A person on an affordable housing waiting list who is of low or moderate income, pursuant to Section 50093 of the Health and Safety Code, and who is able and willing to occupy a unit subject to this section.

(Amended by Stats. 2023, Ch. 788, Sec. 4. (AB 480) Effective January 1, 2024.)

54223. (a) After the disposing agency has received a notice of interest from the entity desiring to purchase or lease the surplus land on terms that comply with this article, the disposing agency and the entity shall enter into good faith negotiations to determine a mutually satisfactory sales price and terms or lease terms. If the price or terms cannot be agreed upon after a good faith negotiation period of not less than 90 days, the local agency may dispose of the surplus land without further regard to this article, except that Section 54233 shall apply.

(b) Residential use shall be deemed an acceptable use for the surplus land for the purposes of good faith negotiations with a local agency conducted pursuant to this article. Nothing in this subdivision shall restrict a local jurisdiction's authority or discretion to approve land use, zoning, or entitlement decisions in connection with the surplus land. Except as provided in subdivision (c), terms agreed to pursuant to the negotiations shall not do any of the following:

(1) Disallow residential use of the site as a condition of the disposal.

(2) Reduce the allowable number of residential units or the maximum lot coverage below what may be allowed by zoning or general plan requirements.

(3) Require as a condition of disposal, any design standards or architectural requirements that would have a substantial adverse effect on the viability or affordability of a housing development for very low, low-, or moderate-income households, other than the minimum standards required by general plan, zoning, and subdivision standards and criteria.

(c) Terms agreed to pursuant to the negotiations required by subdivision (a) may include limitations on residential use or density if, without the limitations, the residential use or density would have a specific, adverse impact, supported by written findings, upon the public health or safety or upon the operation or facilities of a local agency, and there is no feasible method to satisfactorily mitigate the impact.

(Amended by Stats. 2023, Ch. 788, Sec. 5. (AB 480) Effective January 1, 2024.)

54224. Nothing in this article shall preclude a local agency that purchases surplus land from a disposing agency pursuant to this article from reconveying the surplus land to a nonprofit or for-profit housing developer for development of low- and moderate-income housing as authorized under other provisions of law.

(Amended by Stats. 2023, Ch. 788, Sec. 6. (AB 480) Effective January 1, 2024.)

54225. Any local agency disposing of surplus land to an entity described in Section 54222 that intends to use the land for park or recreation purposes, for open-space purposes, for school purposes, or for low- and moderate-income housing purposes may provide for a payment period of up to 20 years in any contract of sale or sale by trust deed for the land. The payment period for surplus land disposed of for housing for persons and families of low and moderate income may exceed 20 years, but the payment period shall not exceed the term that the land is required to be used for low- or moderate-income housing.

(Amended by Stats. 2023, Ch. 788, Sec. 7. (AB 480) Effective January 1, 2024.)

54226. (a) This article shall not be interpreted to limit the power of any local agency to sell or lease surplus land at fair market value or at less than fair market value, and any sale or lease at or less than fair market value consistent with this article shall not be construed as inconsistent with an agency's purpose.

(b) This article shall not prevent a local agency from obtaining fair market value for the disposition of surplus land consistent with this section.

(c) This article shall not be interpreted to limit a local agency's authority or discretion to approve land use, zoning, or entitlement decisions in connection with the surplus land.

(d) This article shall not be interpreted to require a local agency to dispose of land that is determined to be surplus.

(e) No provision of this article shall be applied when it conflicts with any other provision of statutory law.

(Amended by Stats. 2023, Ch. 788, Sec. 8. (AB 480) Effective January 1, 2024.)

54227. (a) In the event that any local agency disposing of surplus land receives a notice of interest to purchase or lease that land from more than one of the entities to which notice of availability was given pursuant to this article, the local agency shall give first priority to the entity or entities that agree to use the site for housing that meets the requirements of Section 54222.5. If the local agency receives offers from more than one entity that agrees to meet the requirements of Section 54222.5, then the local agency shall give priority to the entity that proposes to provide the greatest number of units that meet the requirements of Section 54222.5. In the event that more than one entity proposes the same number of units that meet the requirements of Section 54222.5, priority shall be given to the entity that proposes the deepest average level of affordability for the affordable units. A local agency may negotiate concurrently with all entities that provide notice of interest for the purpose of developing low- and moderate-income housing that meets the requirements of Section 54222.5.

(b) Notwithstanding subdivision (a), first priority shall be given to an entity that agrees to use the site for park or recreational purposes if the land being offered is already being used and will continue to be used for park or recreational purposes, or if the land is designated for park and recreational use in the local general plan and will be developed for that purpose.

(Amended by Stats. 2023, Ch. 788, Sec. 9. (AB 480) Effective January 1, 2024.)

54230. (a) (1) On or before December 31 of each year, each county and each city shall make a central inventory of all surplus land, as defined in subdivision (b) of Section 54221, and all lands in excess of its foreseeable needs, if any, identified pursuant to Section 50569, located in all urbanized areas and urban clusters, as designated by the United States Census Bureau, within the jurisdiction of the county or city that the county or city or any of its departments, agencies, or authorities owns or controls.

(2) (A) Subject to subparagraph (C), each county and each city shall make a description of each parcel described in paragraph (1) and the present use of the parcel a matter of public record and shall report this information to the Department of Housing and Community Development no later than April 1 of each year, beginning April 1, 2021, in a form prescribed by the department, as part of its annual progress report submitted pursuant to paragraph (2) of subdivision (a) of Section 65400.

(B) The information reported pursuant to this paragraph shall include, but not be limited to, the following information with respect to each site:

- (i) Street address, or similar location information.
- (ii) Assessor's parcel number.
- (iii) Existing use.
- (iv) Whether the site is surplus land or exempt surplus land.
- (v) Size in acres.

(C) The Department of Housing and Community Development may, in its discretion, delay implementation of this paragraph until April 1, 2022.

(3) Each county and each city, upon request, shall provide a list of its surplus land and excess surplus land to an individual, limited dividend corporation, housing corporation, or nonprofit corporation without charge.

(b) The Department of Housing and Community Development shall provide the information reported to it by a city or county pursuant to paragraph (2) of subdivision (a) to the Department of General Services for inclusion in a digitized inventory of all state-owned parcels that are in excess of state needs.

(c) The Department of Housing and Community Development may review, adopt, amend, and repeal standards, forms, and definitions in order to implement this section. Any standards, forms, or definitions adopted, amended, or repealed pursuant to this subdivision are hereby exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2).

(Amended by Stats. 2023, Ch. 788, Sec. 10. (AB 480) Effective January 1, 2024.)

54230.5. (a) (1) A local agency that disposes of surplus land in violation of this article after receiving a notification from the Department of Housing and Community Development pursuant to subdivision (b) that the local agency is in violation of this article

shall be liable for a penalty of 30 percent of the applicable disposition value for a first violation, and 50 percent for any subsequent violation. These penalties shall not apply to violations that do not impact the availability and priority of, or the construction of, housing affordable to lower income households or the ultimate disposition of the land in compliance with this article, such as clerical errors. An entity identified in Section 54222 or a person who would have been eligible to apply for residency in any affordable housing developed or a housing organization as defined in Section 65589.5, or any beneficially interested person or entity may bring an action to enforce this section. A local agency shall have 60 days to cure or correct an alleged violation before an action may be brought to enforce this section, unless the local agency disposes of the surplus land before curing or correcting the alleged violation, or the department deems the alleged violation not to be a violation in less than 60 days.

(2) For the purposes of this section, "disposition value" means:

(A) In the case of a sale, the greater of the final sale price of the land or the fair market value of the surplus land at the time of sale, as determined by an independent appraisal of the surplus land sold in violation of this article.

(B) In the case of a lease, the discounted net present value of the fair market value of the lease as of the date the lease was entered into, as determined by an independent appraisal of the lease of surplus land in violation of this article.

(3) A penalty assessed pursuant to this subdivision shall, except as otherwise provided, be deposited into a local housing trust fund. The local agency may elect to instead deposit the penalty moneys into the Building Homes and Jobs Trust Fund or the Housing Rehabilitation Loan Fund. Penalties shall not be paid out of funds already dedicated to affordable housing, including, but not limited to, Low and Moderate Income Housing Asset Funds, funds dedicated to housing for very low, low-, and moderate-income households, and federal HOME Investment Partnerships Program and Community Development Block Grant Program funds. The local agency shall commit and expend the penalty moneys deposited into the local housing trust fund within five years of deposit for the sole purpose of financing newly constructed housing units that are affordable to extremely low, very low, or low-income households.

(4) Five years after deposit of the penalty moneys into the local housing trust fund, if the funds have not been expended, the funds shall revert to the state and be deposited in the Building Homes and Jobs Trust Fund or the Housing Rehabilitation Loan Fund for the sole purpose of financing newly constructed housing units located in the same jurisdiction as the surplus land and that are affordable to extremely low, very low, or low-income households. Expenditure of any penalty moneys deposited into the Building Homes and Jobs Trust Fund or the Housing Rehabilitation Loan Fund pursuant to this subdivision shall be subject to appropriation by the Legislature.

(b) (1) Before agreeing to terms for the disposition of surplus land, a local agency shall provide to the Department of Housing and Community Development a description of the notices of availability sent, and negotiations conducted with any responding entities, in regard to the disposal of the parcel of surplus land and a copy of any restrictions to be recorded against the property pursuant to Section 54222.5, 54233, or 54233.5, whichever is applicable, in a form prescribed by the Department of Housing and Community Development. A local agency may submit this information after it has sent notices of availability required by Section 54222 and concluded negotiations with any responding agencies. A local agency shall not be liable for the penalty imposed by subdivision (a) if the Department of Housing and Community Development does not notify the agency that the agency is in violation of this article within 30 days of receiving the description.

(2) The Department of Housing and Community Development shall do all of the following:

(A) Make available educational resources and materials that inform each agency of its obligations under this article and that provide guidance on how to comply with its provisions.

(B) Review information submitted pursuant to paragraph (1).

(C) Submit written findings to the local agency within 30 days of receipt of the description required by paragraph (1) from the local agency if the proposed disposal of the land will violate this article.

(D) Review, adopt, amend, or repeal guidelines to establish uniform standards to implement this section. The guidelines adopted pursuant to this subdivision are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2.

(E) Provide the local agency reasonable time, but not less than 60 days, to respond to the findings before taking any other action authorized by this section.

(3) (A) The local agency shall consider findings made by the Department of Housing and Community Development pursuant to subparagraph (C) of paragraph (2) and shall do one of the following:

(i) Correct any issues identified by the Department of Housing and Community Development.

(ii) Provide written findings explaining the reason its process for disposing of surplus land complies with this article and addressing the Department of Housing and Community Development's findings.

(B) If the local agency does not correct issues identified by the Department of Housing and Community Development, does not provide findings explaining the reason its process for disposing of surplus land complies with this article and addressing the Department of Housing and Community Development's findings, or if the Department of Housing and Community Development finds that the local agency's findings are deficient in addressing the issues identified by the Department of Housing and Community Development, the Department of Housing and Community Development shall notify the local agency, and may notify the Attorney General, that the local agency is in violation of this article.

(c) The Department of Housing and Community Development shall implement the changes in this section made by the act adding this subdivision commencing on January 1, 2021.

(d) Notwithstanding subdivision (c), this section shall not be construed to limit any other remedies authorized under law to enforce this article including public records act requests pursuant to Division 10 (commencing with Section 7920.000) of Title 1.

(Amended by Stats. 2023, Ch. 788, Sec. 11. (AB 480) Effective January 1, 2024.)

54230.6. The failure by a local agency to comply with this article shall not invalidate the transfer or conveyance of real property to a purchaser or encumbrancer for value.

(Added by Stats. 2019, Ch. 664, Sec. 10. (AB 1486) Effective January 1, 2020.)

54230.7. (a) If a local agency is disposing of surplus land and has received a notification from the Department of Housing and Community Development pursuant to Section 54230.5 that it is in violation of this article with regard to the parcel, the local agency shall hold an open and public meeting to review and consider the substance of the notice of violation. In addition to any other applicable notice requirements, the local agency shall provide notice, in the manner prescribed by this section, before the public meeting. The notice shall be disclosed on the local agency's internet website, if the local agency maintains one, in a conspicuous public place at the offices of the local agency, and to the Department of Housing and Community Development no later than the time of posting required pursuant to Chapter 9 (commencing with Section 54950) for the public meeting at which the notice of violation will be considered.

(b) The local agency's governing body shall not take final action to ratify or approve the proposed disposal of surplus land until a public meeting is held as required by this section.

(c) Nothing in this section shall be construed to require the legislative body of a local agency to disclose information that is privileged or protected pursuant to Section 54956.8 in the public meeting to discuss the substance of the notice of violation.

(d) A local agency is exempt from the requirements of this section if it ceases to dispose of surplus land after receiving a notification from the Department of Housing and Community Development pursuant to Section 54230.5 that it is in violation of this article with regard to surplus land.

(Added by Stats. 2023, Ch. 774, Sec. 1. (SB 229) Effective January 1, 2024.)

54230.8. (a) If the Department of Housing and Community Development, pursuant to Section 54230.5, notifies the County of Orange, or any city located within the County of Orange, that its planned disposal of surplus land is in violation of this article, the jurisdiction shall have 60 days from the date of receipt of the notification of violation to cure or correct an alleged violation, unless the Department of Housing and Community Development deems the alleged violation not to be a violation in less than 60 days. If the jurisdiction has not cured or corrected any alleged violation within 60 days, it shall not dispose of the parcel until the Department of Housing and Community Development determines that it has complied with this article or deems the alleged violation not to be a violation.

(b) (1) A local agency that receives a notice pursuant to subdivision (a) may provide the Department of Housing and Community Development a statement describing the actions taken to cure or correct the alleged violation within 60 days of receipt of the notice.

(2) If the Department of Housing and Community Development receives a statement pursuant to paragraph (1), the department shall do both of the following:

(A) Determine if the local agency's actions as described in the statement cure or correct the alleged violation and whether the planned disposal of surplus land would constitute a violation of this article.

(B) Notify the local agency of the determinations made pursuant to subparagraph (A) within 30 days of receipt of the statement.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

(Added by Stats. 2023, Ch. 772, Sec. 1. (SB 34) Effective January 1, 2024.)

54231. Land acquired by a local agency for highway purposes through the expenditure of funds allocated pursuant to Chapter 3 (commencing with Section 2100) of Division 3 of the Streets and Highways Code may be retained by the local agency, or transferred to another local agency, for public park and recreational purposes if the land is no longer necessary for highway purposes, and if the local agency having jurisdiction over such land determines that the use of such land for public park and recreational purposes is the highest and best use of the land.

(Added by Stats. 1975, Ch. 852.)

54232. Land retained or transferred for public park and recreational purposes pursuant to Section 54231 shall be developed within 10 years, and shall be used for at least 25 years, following such retention or transfer for such purposes in accordance with the general plan for the city or county in which the land is located. Otherwise, the land shall be sold by the local agency, and the funds received from the sale shall be used for highway purposes. If the land originally had been transferred for such purposes, it shall revert to the original acquiring local agency for such sale.

(Added by Stats. 1975, Ch. 852.)

54233. If the local agency does not agree to price and terms with an entity to which notice of availability of land was given pursuant to this article, or if no entity to which a notice of availability was given pursuant to this article responds to that notice, and 10 or more residential units are developed on the property, not less than 15 percent of the total number of residential units developed on the parcels shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Rental units shall remain affordable to, and occupied by, lower income households for a period of at least 55 years for rental housing and 45 years for ownership housing. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with the provisions of paragraph (2) of subdivision (c) of Section 65915. These requirements shall be contained in a covenant or restriction recorded against the surplus land prior to land use entitlement of the project, and the covenant or restriction shall run with the land and shall be enforceable, against any owner who violates a covenant or restriction and each successor in interest who continues the violation, by any of the entities described in subdivisions (a) to (f), inclusive, of Section 54222.5. A local agency shall provide a copy of any restrictions recorded against the property to the Department of Housing and Community Development on a form prescribed by the department.

(Amended by Stats. 2019, Ch. 664, Sec. 11. (AB 1486) Effective January 1, 2020.)

54233.5. If a local agency that is a district, excepting those whose primary mission or purpose is to supply the public with a transportation system, disposes of surplus land where local zoning permits development of 10 or more residential units or is rezoned within five years of the disposal to permit the development of 10 or more residential units, and 10 or more residential units are developed on the property, not less than 15 percent of the total number of residential units developed on the parcel shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households as defined in Section 50079.5 of the Health and Safety Code. Rental units shall remain affordable to, and occupied by, lower income households for a period of at least 55 years for rental housing and 45 years for ownership housing. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with the provisions of paragraph (2) of subdivision (c) of Section 65915. These requirements shall be contained in a covenant or restriction recorded against the restriction and each successor in interest who continues the violation, by any of the entities described in subdivisions (a) to (f), inclusive, of Section 54222.5. This section shall not apply to projects as defined in subdivision (j) of Section 32121 of the Health and Safety Code. A local agency shall provide a copy of any restrictions recorded against the property to the Department of Housing and Community Development in a form prescribed by the department.

(Added by Stats. 2019, Ch. 664, Sec. 12. (AB 1486) Effective January 1, 2020.)

54234. (a) (1) If a local agency, as of September 30, 2019, has entered into an exclusive negotiating agreement or legally binding agreement to dispose of property, the provisions of this article as it existed on December 31, 2019, shall apply, without regard to the changes made to this article by Chapter 664 of the Statutes of 2019, and all subsequent amendments to this article, to the disposition of the property to the party that had entered into such agreement or its successors or assigns, provided the disposition is completed by December 31, 2027.

(2) If a local agency, as of September 30, 2019, has entered into an exclusive negotiating agreement or legally binding agreement to dispose of property related to the Metro North Hollywood Joint Development Project, the provisions of this article as it existed on December 31, 2019, shall apply, without regard to the changes made to this article by Chapter 664 of the Statutes of 2019, and all subsequent amendments to this article, to the disposition of the property to the party that had entered into such agreement or its successors or assigns, provided the disposition is completed not later than December 31, 2027.

(3) If a local agency, as of September 30, 2019, has issued a competitive request for proposals for the development of property that includes at least 100 residential units and at least 25 percent of the total residential units are restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable housing cost or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing and 45 years for ownership housing, the provisions of this article as it existed on December 31, 2019, shall apply, without regard to the changes made to this article by Chapter 664 of the Statutes of 2019, and all subsequent amendments to this article, to the disposition of the property to the party that participated in the competitive request for proposals process, or the party's successors or assigns, provided a disposition and development agreement for the property is entered into not later than December 31, 2027. A joint development involving multiple parcels shall meet the requirements of this paragraph so long as there was a single competitive request for proposals process and the joint development otherwise meets all the requirements listed in this paragraph. A "disposition and development agreement" means an agreement between the developer and the local agency that binds the developer to construct a specific development and the local agency to dispose of the property if permits and other entitlements for the project are obtained. This paragraph shall not apply to land held in the Community Redevelopment Property Trust Fund pursuant to Section 34191.4 of the Health and Safety Code, or that has been designated in a long-range property management plan pursuant to Section 34191.5 of the Health and Safety Code. If no disposition and development agreement is entered into before December 31, 2027, then future negotiations for and disposition of the property shall be subject to the provisions of this article.

(2) The dates specified in paragraphs (1) to (3), inclusive, by which the disposition of property must be completed shall be extended if the disposition of property, the local agency's right or ability to dispose of the property, or a development project for which the property is proposed to be transferred, is the subject of judicial challenge, by petition for writ of mandate, complaint for declaratory relief or otherwise, to the date that is six months following the final conclusion of such litigation.

(b) (1) With respect to land held in the Community Redevelopment Property Trust Fund pursuant to Section 34191.4 of the Health and Safety Code, or that has been designated in a long-range property management plan pursuant to Section 34191.5 of the Health and Safety Code, either for sale or retained for future development, this article as it existed on December 31, 2019, without regard to the changes made to this article by Chapter 664 of the Statutes of 2019, and all subsequent amendments to this article, which take effect on January 1, 2020, shall apply to the disposition of that property if both of the following apply:

(A) An exclusive negotiating agreement or legally binding agreement for disposition was entered into not later than December 31, 2020.

(B) The disposition is completed not later than December 31, 2027.

(2) If land described in paragraph (1) is the subject of litigation, including, but not limited to, litigation challenging the disposition of such property, the right or ability to dispose of the property, or a development project for which such property is proposed to be transferred, the dates specified in paragraph (1) shall be extended to the date that is six months following the final conclusion of such litigation.

(c) Nothing in this section shall authorize or excuse any violation of the provisions of this article as it existed on December 31, 2019, in the disposition of any property to which such provisions apply pursuant to subdivision (a) or (b).

(d) If a local agency terminated an exclusive negotiating agreement or legally binding agreement to dispose of property pursuant to an earlier, superseded version of subdivision (a) or (b) of this section due to the lapse of a statutory deadline for completing the disposition of property the local agency may, in its sole reasonable discretion, elect whether to ask the party to the terminated exclusive negotiating agreement or legally binding agreement to dispose of property to consider reviving the terminated agreement. If the local agency and other party fully execute an instrument reviving the terminated agreement before January 1, 2024, on substantially the same terms and conditions as the terminated agreement, the revived agreement shall be subject to subdivision (a) or (b), as applicable, of this section.

(Amended by Stats. 2023, Ch. 788, Sec. 12. (AB 480) Effective January 1, 2024.)