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AB-518 Surplus state real property: Southern Youth Correctional Reception Center and Clinic. (2019-2020)

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Assembly Bill No. 518

CHAPTER 43

An act to amend Section 11011.28 of the Government Code, relating to state government.

[Approved by Governor September 09, 2020. Filed with Secretary of State September 09, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 518, Calderon. Surplus state real property: Southern Youth Correctional Reception Center and Clinic.

Existing law authorizes the Director of General Services to sell or lease certain property, known as the Southern Youth Correctional Reception Center and Clinic, to the County of Los Angeles by January 1, 2015, at market value upon terms and conditions and subject to reservations and exceptions the director determines are in the best interests of the state, and, after January 1, 2015, authorizes the director to sell the property to any other party at market value through a competitive bid process.

This bill would instead authorize the director, until January 1, 2025, to sell that property to the City of Norwalk at fair market value upon terms and conditions the director determines are in the best interests of the state. The bill would authorize the director, notwithstanding those provisions, to sell the property below fair market value for purposes of providing housing to persons and families of low or moderate income, subject to reporting specified information 30 days before the sale to the chairpersons of the fiscal committees of the Legislature. The bill would revise the approximate acreage of the property to 32 acres. The bill, after January 1, 2025, would authorize the director to dispose of the property in accordance with specified procedures and priorities otherwise applicable to the disposal of surplus property by the department. The bill would exempt the sale of the property from the California Environmental Quality Act.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 11011.28 of the Government Code is amended to read:

11011.28. (a) Notwithstanding Section 11011.1, the Director of General Services may sell, at fair market value, to the City of Norwalk, upon those terms and conditions the director determines are in the best interests of the state, all or any part of the following real property by January 1, 2025:

Approximately 32 acres of property, known as the Southern Youth Correctional Reception Center and Clinic, located at 13200 South Bloomfield Avenue, Norwalk, in the County of Los Angeles.

(b) To the extent bonds issued by the State Public Works Board involve the property to be sold or leased pursuant to this section, all issuer- and trustee-related costs associated with the review of any proposed sale or lease, together with the costs related to

the defeasance or retirement of any bonds, which may include the cost of nationally recognized bond counsel, shall be paid from the proceeds of any sale or lease authorized by this section.

(c) In setting the purchase price for the property, the director may permit a sales price at less than fair market value if the director determines that such a discount will enable the provision of additional housing for persons and families of low or moderate income. For the purposes of this section, fair market value is established by an appraisal or economic evaluation conducted by the department and approved by the department.

(d) Thirty days prior to executing a transaction for a sale of the surplus state real property for less than fair market value for affordable housing, the director shall report to the chairpersons of the fiscal committees of the Legislature all of the following:

(1) The financial terms of the transaction.

(2) A comparison of fair market value for the surplus state real property and the terms listed in paragraph (1).

(3) The basis for agreeing to terms and conditions other than fair market value.

(e) Any sale of the property to the City of Norwalk pursuant to this section is exempt from Division 13 (commencing with Section 21000) of the Public Resources Code.

(f) Net proceeds of the sale shall be deposited pursuant to subdivision (g) of Section 11011.

(g) If the property has not been sold to the city by January 1, 2025, the director may pursue the disposition of the property pursuant to Section 11011.1.