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**SB-536 Surplus state real property: Heman G. Stark Youth Correctional Facility.** (2023-2024)

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**Senate Bill No. 536**

**CHAPTER 768**

An act to add Section 11011.31 to the Government Code, relating to state government, and making an appropriation therefor.

[ Approved by Governor September 27, 2024. Filed with Secretary of State September 27, 2024. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 536, Rubio. Surplus state real property: Heman G. Stark Youth Correctional Facility.

Existing law requires a state agency to review all proprietary state lands under its jurisdiction, as specified, to determine what land is in excess of its needs, and to report on these lands to the Department of General Services. Existing law prescribes a process for the disposition of surplus state property.

This bill would authorize the Director of General Services to sell or lease property, of approximately 130 acres, known as the Department of Corrections and Rehabilitation Heman G. Stark Youth Correctional Facility, located in the City of Chino, in the County of San Bernardino, to the City of Chino at fair market value upon terms and conditions the director determines are in the best interests of the state.

This bill would require that the proceeds of the sale or lease be expended on bond payments, as specified, and other costs, including costs for the review of the sale of the property and bond counsel. 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, after December 31, 2028, 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.

This bill would exempt the sale of the property from the California Environmental Quality Act, and would require the net proceeds of the sale to be deposited into the Special Fund for Economic Uncertainties, a continuously appropriated fund. By authorizing the deposit of proceeds into a continuously appropriated fund, the bill would make an appropriation.

Vote: 2/3 Appropriation: yes Fiscal Committee: yes Local Program: no

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

**SECTION 1.** Section 11011.31 is added to the Government Code, to read:

**11011.31.** (a) Notwithstanding Section 11011.1, the Director of General Services may sell, at fair market value, to the City of Chino, 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:

Approximately 130 acres of property, known as the Department of Corrections and Rehabilitation Heman G. Stark Youth Correctional Facility, located in the City of Chino, in the County of San Bernardino.

(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-related 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) Notwithstanding subdivision (a), 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 Chino 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 of Chino by December 31, 2028, the director may pursue the disposition of the property pursuant to Section 11011.1.