



California Special Districts Association
Districts Stronger Together



April 25, 2023

The Honorable Anthony Portantino
Chair, Senate Committee on Appropriations
State Capitol, Room 412
Sacramento, CA 95814

RE: Senate Bill 34 (Umberg) – Oppose Unless Amended [As Amended February 22, 2023]

Dear Senator Portantino:

The statewide associations and individual local agencies listed above must respectfully oppose Senate Bill 34 (Umberg), unless it is amended to address our concerns discussed below.

SB 34 will amend the Surplus Land Act (SLA) to provide that if the Department of Housing and Community Development (HCD), pursuant to Government Code Section 54230.5, notifies the County of Orange, or any city located within Orange County, that its planned sale or lease of surplus land is in violation of the SLA, certain procedures for addressing the notice of violation must be followed.

As written, the bill may create a concerning precedent for all local agencies statewide. Because SB 34 includes a reference to notices of violation from HCD in connection with a “sale **or lease**” by a local agency, the bill may establish a statutory precedent that leases are subject to the SLA. Notwithstanding guidelines developed by HCD defining “disposition of surplus land,” at this time the term “dispose” is undefined in the SLA, and prior legislative efforts to define “dispose” to include leases were unsuccessful. Removing and excluding the bill’s reference to leases would in no way compromise or otherwise impact the ability of this legislation to address a planned sale of surplus land by the County of Orange or any city located within Orange County. However, including any reference to leases in the bill would be inconsistent with the clear, established legislative intent for the meaning of disposal of surplus land that is subject to the requirements of the SLA. If a statutory precedent is established for the inclusion of leases in the SLA, it will increase SLA compliance costs for local agencies. We therefore oppose SB 34 unless it is amended to remove its reference to leases and HCD notices of violations in connection with planned leases.

Local agencies routinely enter leases for a variety of purposes that support their work or operations and that do not relate to the purposes of the SLA. Examples include a cell tower lease, a lease to a nonprofit for office space because that nonprofit is partnering with a local government to further a governmental purpose, and a short-term lease of park space.

The clear, established intent of the Legislature is not to apply the requirements of the SLA for surplus land to leases. In 2019, as introduced, AB 1486 (Ting) proposed to define “dispose of” as the “sale, **lease**, transfer, or other conveyance of any interest in real property owned by a local agency” (emphasis added).

A broad local agency coalition opposed this proposed expansion of the meaning of “dispose of,” and consequently leases were amended out of the bill before it became law.

For the above reasons, we must respectfully oppose Senate Bill 34, unless it is amended to address our concerns.

Sincerely,



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Senior Legislative Representative
California Special Districts Association



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CC: The Honorable Thomas Umberg
Members, Senate Committee on Appropriations
Mark McKenzie, Consultant, Senate Committee on Appropriations
Jessica Bilingsley, Policy Consultant, Senate Republican Caucus