

Surplus Land Act: Know the Impact Before You Transact



League of California Cities
Conference
September 2022

Kosmont Companies

Larry Kosmont

City of Moorpark

Troy Brown

CA Dept. of Housing & Community Develop.

Laura Nunn

Best Best & Kreiger LLP

Elizabeth Hull



BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW

Moorpark
CALIFORNIA *Life can be this good*

Session Overview

Larry Kosmont
Chairman and CEO
Kosmont Companies

Moderator Introduction
Overview & Trends

Troy Brown
City Manager
City of Moorpark

Public Agency Perspective

Laura Nunn
Senior Manager
CA Dept. of Housing & Community Development

Implementation of SLA

Elizabeth Hull
Partner
Best Best & Kreiger

SLA Transactions & Documentation



Larry Kosmont - Overview & Trends



Communities at Crossroads: A Unique Opportunity for a Vital Future

Leverage private sector momentum to improve your community's services & quality of life

Timely opportunity to access new funding sources and economic development tools that have emerged in a post-COVID digital world:

New Economic Toolkit with new / expanded tools such as special districts (EIFDs, CRIAs), zoning strategies, and tax-exempt financing.

New Funding Sources from federal and state government

Compliance with onslaught of state policy requirements imposing density, zoning standards, and redirecting the disposition of local public agency owned real estate (Surplus Land Act)

Community Investment: Private Sector's Opportunities and Challenges

Where is Real Estate, Land Use & Development Heading?

Public Policy Driven by State

California focus is on housing / sustainability / resiliency

Housing Element mandates: Density can create value to entice investment (some HEs give that value away)

Cities struggle to raise the revenues needed to fund community services and improve quality of life

Many cities changing perspective on zoning.

Grant funding from state/federal enables projects

Complex Predevelopment Process

Entitlement process in California is complex:

CEQA environmental review, zoning and land use procedures, public hearings and legal challenges.

Surplus Land Act to contend with: impacts public land sales or leases to private sector

Post-Covid Trends...are here to stay

Telework reshapes the home and workplace

Densification of suburbia – housing needed

Consumers focused on service, essentials and experience;

E-commerce is escalating

Retailers are “resetting and resizing, upgrading workforce / automation, supply chain improvements, omnichannel

Automated showrooms /distribution hubs/ service hubs

Impact on Econ Dev and Land Use

Reconfiguration retail corridors/downtown/centers to include blended uses: residential clusters, outdoor amenities

Residential typically yields highest land values and returns

Industrial uses are booming in SoCal: distribution, entertainment studios, bio science, tech

Kosmont's Three Trends for Economic Development



1: Housing is Not a Loss Leader, it's a Growth Driver

Housing Creation as Economic Development

- New housing generates significant new tax revenues and supports local jobs
- Housing is not necessarily a net negative fiscal impact, especially at current property values

2: Retail is Not Just Retail Anymore

Retail Reimagination as Economic Development

- US over-built on retail; ~25% of U.S. malls may close over next 3-5 years, COVID accelerates this trend
- Blended/mixed use projects integrate multiple uses (*housing, retail, open space, office, hotel*) onto one site

3: Industrial / Distribution is Critical for Your Economy

Industrial & Fulfillment as Economic Development

- Modern industrial is not your father's industrial – not smokestacks
- Retail can't thrive without distribution
- Booming demand for distribution, e-commerce, and data centers, blending for fulfillment/delivery, job creators

Public Sector Perspectives

State Policy	Land Use	Economic Development
<p><u>State focused on housing production</u> especially in high-demand job centers and TOD</p> <p><u>New focus on housing policy enforcement</u> RHNA, Surplus Land Act, and HAA put pressure on cities to deliver new homes</p> <p><u>SLA targets public agency owned property for affordable housing</u></p>	<p><u>Land use demands blending</u> retail centers w/ apartments and distribution, office conversions to residential, infill distribution for delivery</p> <p><u>Flexible zoning needed</u> for new integration</p> <p><u>Rethinking outdoor spaces</u> parks, green space, outdoor commercial, pedestrian orientation</p>	<p><u>Cities can't just focus on attracting large employers</u> make places with amenities, experiences, and housing that attracts workers</p> <p><u>Attracting workers and attractive housing</u> as essential as job creation</p> <p><u>Strategy Matters</u> leveraging own resources and attracting state / local funds <u>Get ahead of the SLA by updating your asset plans</u></p>

Surplus Land Act (SLA) Overview

Origin	In a response to the massive housing shortage in California, the State has passed dozens of housing bills including AB 1486 (Surplus Lands Act) to address this crisis.
Purpose	The SLA gives affordable housing developers a right of first refusal on all public agency owned land in the State of California. Does not prevent agencies from ultimately selling or leasing property for other uses or fair market value.
Mandate	Public Agencies in California (e.g., cities, counties, special districts, school districts, etc.), with certain exceptions, must follow this mandate prior to selling or leasing <u>any</u> public agency owned real estate.
Process	The Surplus Lands Act requires an up to 150-day request for proposal/bid process to either select or reject an affordable housing project/proposals. Once rejected, the property can be sold or leased to broader market.

The New World of the Surplus Land Act (SLA)

The Old Days:

Want to sell or lease a City property? Just put it out for an RFP/Q

The New World of SLA:

The Surplus Land Act requires public agencies to first go through a process of offering property to affordable housing developers before pursuing other opportunities.

Opportunity:

Public Agencies can and should look at SLA as an opportunity to explore a variety of strategies to better utilize the value of their properties:

- Performance-based leases / ground leases
- Monetizing assets (such as parking garages, civic centers)
- Selling property to private sector – includes lease-back strategies, continued operation of existing use, redevelopment into new uses

HEADLINES

555 New Apartments Planned for South Natomas as Sacramento Sells Land to Developer
Sac Bee, 1/25/22

California Public Land Now Battleground in Fight over Affordable Housing
The Real Deal, 8/26/21

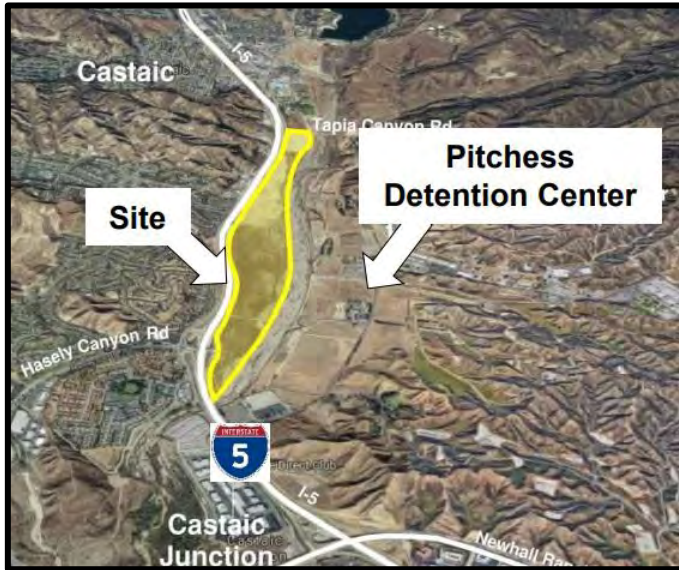
SLA Compels Agencies to look at Property Assets Strategically

The SLA has a profound impact on a public agency's decision-making process to sell or lease public-private projects across the State. Agencies must act proactively and strategically to get the most out of their property assets.

1) Know Your Portfolio	2) Know Your Priorities	3) Know Your Strategies
<p>Understanding your agency's property portfolio is key</p> <p>Perform due diligence and prioritize potential portfolio of properties contemplated for disposition and/or development</p>	<p>Consider the variety of economic development priorities that you can use your properties to pursue:</p> <ul style="list-style-type: none">Affordable housingCivic/Public amenity purposesIn conjunction with private projectsOther uses <p>Do you want to keep the property for public use or put into private service?</p>	<p>Make a strategic determination of which properties to keep or sell.</p> <p>Agencies can use a variety of strategies to increase market/reuse value of its land & comply with the SLA</p> <p>Be sure to consider CEQA / Entitlements & RHNA</p> <p>Align these property strategies with other economic development tools / approaches</p>

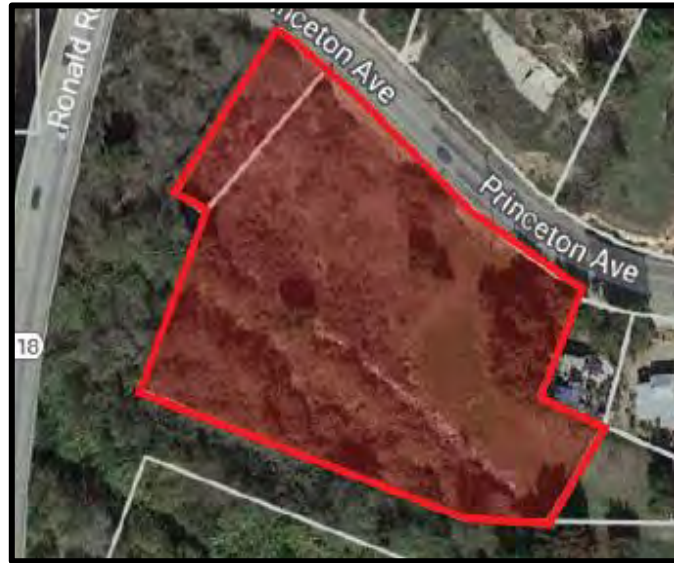
SLA Challenges Unique to Each Public Agency

Each Public Agency needs to devise a real estate disposition strategy that considers its own economic development priorities in light of SLA.



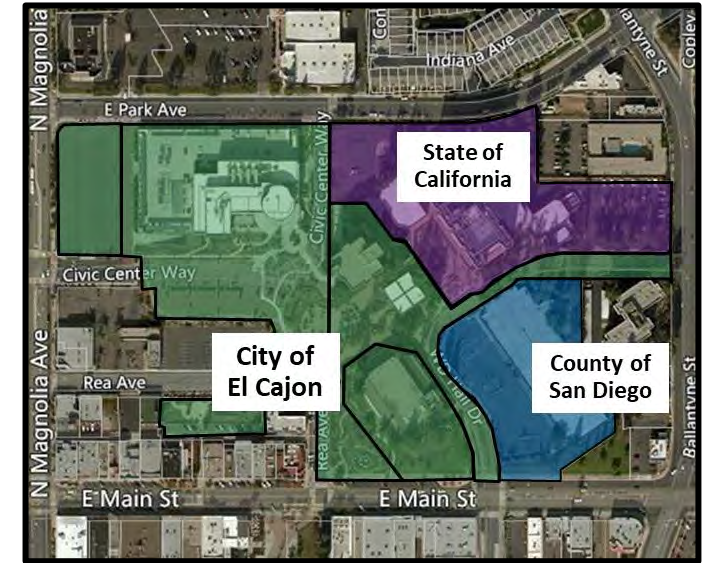
County of Los Angeles

- +/- 200 Acre Property
- Zoning: Heavy Agriculture
- \$229M flood risk mitigation, Adjacent to Detention Center
- **SLA Status:** Process completed & HCD certified



Moorpark Successor Agency

- +/- 1.8 Acre Property
- Zoning: Industrial
- Adjacent to Floodplain, Liquefaction issues
- Pre-Existing Agreement with Developer
- **SLA Status:** Requires Sale by 12/31/2022



City of El Cajon

- +/- 20 Acre Property
- Zoning: Commercial, Downtown Master Plan
- Complex Civic Center Revitalization; County/State owners/users
- Reuse program requires public uses
- **SLA Status:** City review

What Needs to Get Done in Your Community?

How do I add housing, RHNA & address density?

How do I revitalize my downtown?

How do I fix my regional shopping centers and retail corridors ?

How do I meet these escalating state requirements?

How do I replace sales tax?

How do I meet the needs of today and prepare for the future?

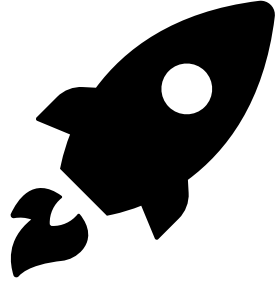
How do I pay for constituent service demands?

Primary Steps to Comply with SLA & Pursue Projects

- 1 Property Inventory (*Start Early*)**
Identify priority properties and/or projects now that may be impacted by SLA & can be put into productive use.
- 2 Prioritize, Screen, & Select an Approach**
Determine value, SLA applicability, Preferred Disposition Strategy/Use (e.g. asset monetization, public use, housing, etc.) & Econ Dev Tools & Financing Mechanisms.
- 3 Implementation (*Transparency is Key*)**
Execute preferred disposition (sale, lease, etc.) strategy that's done transparently & fulfills community goals and objectives (job creation, tax revenues, housing) in compliance with SLA.

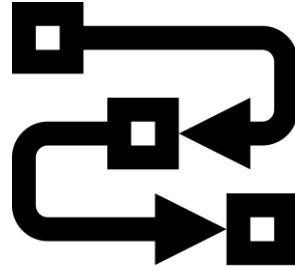
Post Covid Economy: Opportune Time to Use Real Estate Tools

New Rules & New Tools for Local Agencies to Deploy Proactively and Strategically



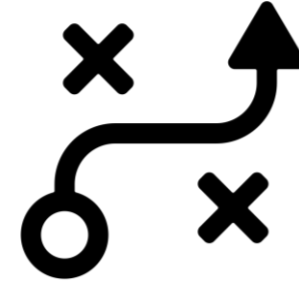
SLA Taking Off

New rules being used for property disposition and housing creation



New Processes

Agencies navigating evolving procedures and compliance



New Strategies

Agencies using property assets strategically to pursue priorities

Today's Program

Troy Brown will explain his approach to the SLA in the City of Moorpark

Laura Nunn will provide insights in HCD's compliance process & flexibility

Elizabeth Hull will discuss the mechanics of SLA transactions & key issues facing communities



Troy Brown – Public Agency Perspective



Laura Nunn – SLA Implementation



HCD's Implementation of the Surplus Land Act (SLA)

League of Cities

Long Beach

September 9, 2022



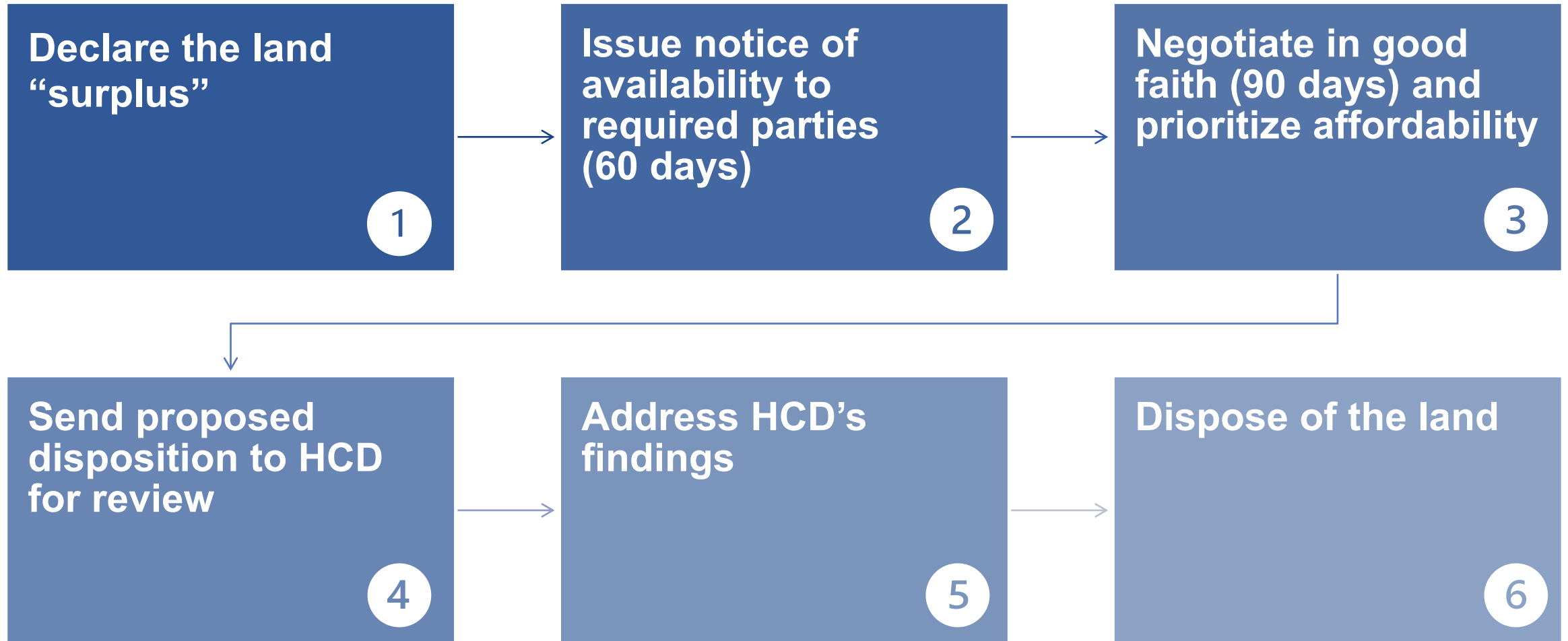


What is the Purpose of the Surplus Land Act (SLA)?

- Provide more affordable housing options in all parts of the state
- Cities, counties, and special districts have land that can reduce cost barriers to housing development
- SLA requires local agencies to make land available for affordable housing before selling or leasing the land for another purpose



Standard SLA Process





Alternative Pathways: Exemptions from standard SLA process

“Grandfathering”

The version of the SLA in effect before 12/31/2019 applies if the local agency entered into an exclusive negotiating agreement or other legally binding agreement to dispose of property (or issued a competitive request for proposals that meets criteria on slide 19) before a certain date

1

Land for Affordable Housing

Must meet certain criteria in the SLA

2

Exemptions from standard SLA process

Still requires HCD review and other requirements

Land dedicated for other public uses

Land restricted for another use (parks, schools, etc.) transferred to federal/state government, land traded for other land to be used by the local agency, etc.

3

Land not suitable for housing

Small parcels, former streets, parcels with legal restrictions that prohibit housing

4



Other Cases that Lie Outside the Scope of the SLA

Besides the 14 official exemptions from the standard process, the following transactions do not fall under the SLA:

1. Short-term leases

- Land leases for a term of less than five years

2. Leases that do not allow demolition or development of the property

Governing board does not need to pass a resolution to declare land as surplus or exempt surplus in these cases



Tips and Best Practices for Local Agencies

Develop basic in-house familiarity with the SLA

Survey and catalogue the potential surplus properties

Have a general sense of whether and how the SLA applies for each property

Gather documents and reach out to HCD to confirm understanding of SLA applicability and process



How can HCD help? – Technical Assistance

- HCD is committed to helping jurisdictions navigate this law:
 - Assist with responding to questions
 - Develop informational materials
 - Provide legal analysis
 - Provide trainings to “de-mystify” the SLA and proactively address stakeholder concerns



Website Resources Walkthrough

Our webpage hosts a variety of resources, reference materials, and templates that will help you navigate the SLA:

- [Guidelines](#) – **starting the update now**
- **New** – [SLA 101 PowerPoint](#), [FAQs](#), and [Exemption User Guide](#)
- Lists of [Notices of Availability Received](#) (w/map) and [Developers Interested in Surplus Property](#)
- Sample [Notice of Availability](#) and [Covenant/Deed Restriction](#) Forms
- [Compliance Self-Assessment](#)

Contact us

- For requests for technical assistance, email publiclands@hcd.ca.gov
- To report potential violations, email compliancereview@hcd.ca.gov



Thank You!



Elizabeth Hull – SLA: Key Compliance Aspects and Processes

Key Compliance Aspects and Processes

Questions we've been hearing

- What if I declared the property surplus ages ago?
- Any tips for my Notice of Availability
- When negotiating, what latitude does a city have?
- What other laws do I need to think about?

Property declared surplus pre-AB 1486

- Did you comply with the SLA that was in place at the time you declared it surplus?
 - Yes
 - you don't need to declare it surplus again and go through the NOA process
 - You will need to record the restrictive covenant against the property
 - No (declared it surplus but never issued the NOA)
 - You will need to go through the NOA process
- Tips
 - Find your staff report, notice of availability or any evidence of negotiations
 - Submit all the documentation you have to HCD to demonstrate compliance with the SLA at the time you declared it surplus

Notice of Availability

- Accurately describe the property
 - Describe all its warts and limitations
- Identify the City's desires for the property
 - If you want a mixed use project, say so.
- Identify what you want in the developer's responsive notice of interest
 - You can't weigh proposals if all you get is "yes, I'm interested" from the developer
 - Ask for a description of what they will build. Number of units? Mixed use? Affordability levels?
 - You cannot determine order of priority without some details
 - Incomplete responses burn up negotiation time (90 days required)

Negotiation Latitude

- What is “good faith negotiation?”
 - City can’t disallow residential use as a condition of disposal
 - City can’t reduce the number of units or max lot coverage below what is allowed by zoning or GP requirements
 - City can’t apply design stds or arch requirements that substantially effect the viability or affordability of the housing development
- City DOES NOT have to sell at below fair market value
- City MAY limit residential use or density if specific findings can be made

Ending Negotiations

- Grounds to reject an offer:
 - If the city and buyer can't agree on a sales price or lease terms
 - When the city is giving priority to a competing offer that includes a greater number of affordable units, or if there is a tie in the number of units, then lowest average level of affordability
 - When the developer is not responsive to the city's reasonable conditions or restrictions as described in the NOA

What else do I need to think about?

- CEQA
 - There is a CEQA exemption for selling surplus land but it doesn't apply if selling for a specific project.
- Relocation
 - Is the property occupied? You may need to pay relocation expenses
- Prevailing wages
 - Selling below market?
 - Developer funding sources?
- SB 330/SB 35/Density Bonus
 - Projects developed on surplus land can take advantage of other laws designed to facilitate housing development

What else do I need to think about?

- Annual Inventory
 - Cities/counties must prepare by 12/31 each year an inventory of surplus land and all land in excess of cities/counties foreseeable needs
 - Surplus land : land no longer necessary for agency use and has been declared surplus
 - Excess land: land that is beyond an agency's foreseeable needs but has not been declared surplus yet
 - Available to anyone who requests it and submitted to HCD by 4/1 each year as part of the HE annual progress report
 - Inventory details
 - Address or location information
 - APN
 - Existing use
 - Whether site is surplus or excess
 - Size in acres



Questions?

Elizabeth Hull

Elizabeth.hull@bbklaw.com | 760-238-2048

DISCLAIMER: BB&K presentations and webinars are not intended as legal advice. Additional facts, facts specific to your situation or future developments may affect subjects contained herein. Seek the advice of an attorney before acting or relying upon any information herein. Audio or video recording of presentation and webinar content is prohibited without express prior consent.

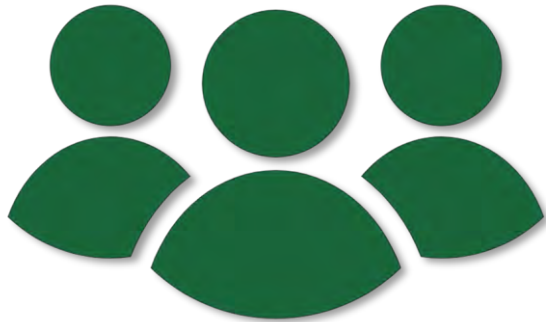


Larry Kosmont – Key Takeaways



The Great Reconfiguration

Challenges of a New Policy Mindset and a Changing Economy



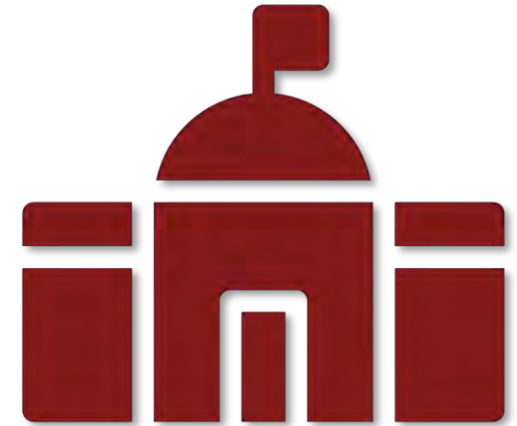
Consumers driven by quality of life, cost of living and housing, amenities, essentials, and experiences

Want it all in a 15-Minute Community



Investors driven by new technology, shifting demand, supply chain anomalies, and new live / work patterns

Seeking value from new demand drivers



City Hall driven by resident and employer needs & new state policies which seek to install housing

Tension: Comply with state priorities vs. achieving community priorities in a post covid digital world (RHNA, Density Bonus, SLA)

What's Next For SLA? Key Takeaways

- Future cleanup legislation is coming and will likely tighten SLA compliance and enforcement
- Public Agencies should start NOW to review and evaluate their property portfolio in alignment with economic development goals and objectives
- SLA is nuanced and circumstantial. Engaging HCD early in process of disposition is important to future determination of compliance
- Transparency is key – reposition and promote your asset program to your community and to achieve compliance

Surplus Land Act: Know the Impact Before You Transact

Questions?

Kosmont Companies

Larry Kosmont

City of Moorpark

Troy Brown

CA Dept. of Housing & Community Develop.

Laura Nunn

Best Best & Kreiger LLP

Elizabeth Hull



BEST BEST & KRIEGER
ATTORNEYS AT LAW

Moorpark
CALIFORNIA *Life can be this good*



Frequently Asked Questions

True or false: Leases are subject to the Surplus Land Act.

TRUE, except for leases that are less than 5 years or where no demolition of development will occur.



Frequently Asked Questions

How long is the notice period?

How long is the good faith negotiations period?

60 days and 90 days, respectively.



Frequently Asked Questions

True or false: We can include conditions and restrictions in our Notice of Availability.

TRUE, but they must be approved by HCD.



Frequently Asked Questions

If more than one entity responds to the Notice of Availability, how should we prioritize proposals? (Hint: There are three levels of priority.)

First, proposals with at least 25% affordable.

Second, the proposal with the greatest number of affordable units.

Third, the proposal with the deepest level of affordability.



Frequently Asked Questions

True or false: We do not have to record an affordability covenant if we are not selling to an affordable housing developer.

FALSE. The land must include a 15% affordability covenant.



Frequently Asked Questions

True or false: Surplus land must be sold or leased below market value.

FALSE. Local agencies may dispose of surplus land at or below fair market value.



Frequently Asked Questions

Which of the following must I provide HCD before disposing of surplus land?

- a) Notice of Availability
- b) Description of good faith negotiations
- c) Affordability covenant

All of the above.



Frequently Asked Questions

Which of the following are exemptions?

- a) An ENA was in place before 12/31/19 and the disposition will occur before 12/31/22.
- b) Land used for affordable housing.
- c) Land dedicated for other public uses.
- d) Land with legal restrictions that prohibit housing.

All of the above, but please check with HCD.



Frequently Asked Questions

True or false: Dispositions for exempt surplus land are the same as those for surplus land.

FALSE. Exempt surplus land dispositions require much less documentation.



Frequently Asked Questions

True or false: HCD's SLA Team is glad to provide technical assistance throughout the process.

TRUE. And HCD has lots of resources online too.



Appendix

SLA Compliance & Property Sales:

Kosmont Realty Digital Online Surplus Land Act Platform (powered by CREXI)



- **Established public agency real estate and SLA expert**
- Secured approvals/financing for over 1,000 public/private real estate and finance projects valued at over \$12B
- CA licensed brokerage – 35 years in public agency property sales and broker opinions of value



- **Nation's leading online real estate marketplace**
- Access to 2 million buyers, brokers, tenants each month
- Presented over \$2 trillion of property value nationwide
- Closed upward of \$330 billion in transactions
- 225+ employees, based in Los Angeles

SLA - Digital Property Profile



[Download OM](#)
[Flyer](#)
[Submit LOI](#)

Listing Contacts [See All \(3\)](#)

Active

Larry Kosmont PRO

License: CA DRE# 01182660

Phone Number: [Call](#)

[Contact](#) | [View my profile](#)

Brian Moncrief

License: CA DRE# 01932052

Phone Number: [Call](#)

[Contact](#) | [View my profile](#)

Asking Price: **Unpriced**

Deal terms are not currently defined. Request your own specific terms when submitting a non-binding offer.

[Learn more](#)

Property **Due Diligence** **My Notes**

Address

1063-1123 Walnut Canyon Rd, Moorpark, CA 93021 [Show on Map](#)

Date Added	Days on Market	Time Since Last Update
Jul 20, 2022	48 days	18 minutes

Details

Property Type	Land	Subtype	Residential, Unimproved Land, Vacant
Zoning	Rural Exclusive (R-E)	Lot Size (acres)	1.56
APN	511-0-030-250, -260, -270, -280, -290, and -30	Ownership	Moorpark Housing Successor Agency
			0

Marketing Description

Kosmont Real Estate Services, dba Kosmont Realty ("KR") has been retained by the Housing Successor Agency to the former Redevelopment Agency of the City of Moorpark ("Housing Successor Agency" or "HSA" or "Seller") as the exclusive representative in the disposition and sale of certain property located at 1063-1123 Walnut Canyon Rd., Moorpark, CA ("Property").

As required by California Government Code Section 54220, et seq. (the "Surplus Land Act"), the Housing Successor Agency, is required to prepare and distribute a Notice of Availability ("NOA") to notify to those entities described in Section 54222 of the Surplus Land Act of the availability of the Property for purchase.

To access the NOA and submittal requirements, please click the "Download OM" button shown on the listing page for the Property.

In accordance with Section 54222, if your agency or organization is interested in purchasing the property, you must notify the Housing Successor Agency and/or its broker representative, as identified herein, in writing within 60 days of the date of the NOA (5 p.m. PST on Friday, September 23, 2022).

If you have any questions, please feel free to contact: Brian Moncrief, Senior Managing Director, Kosmont Realty [Phone: 805-469-7364; Email: bmoncrief@kosmontrealty.com]

SLA - Digital Marketing Campaign



NOTICE OF AVAILABILITY OF SURPLUS LAND



1293-1331 WALNUT CYN. RD
Moorpark, CA
Land | 0.81 acres

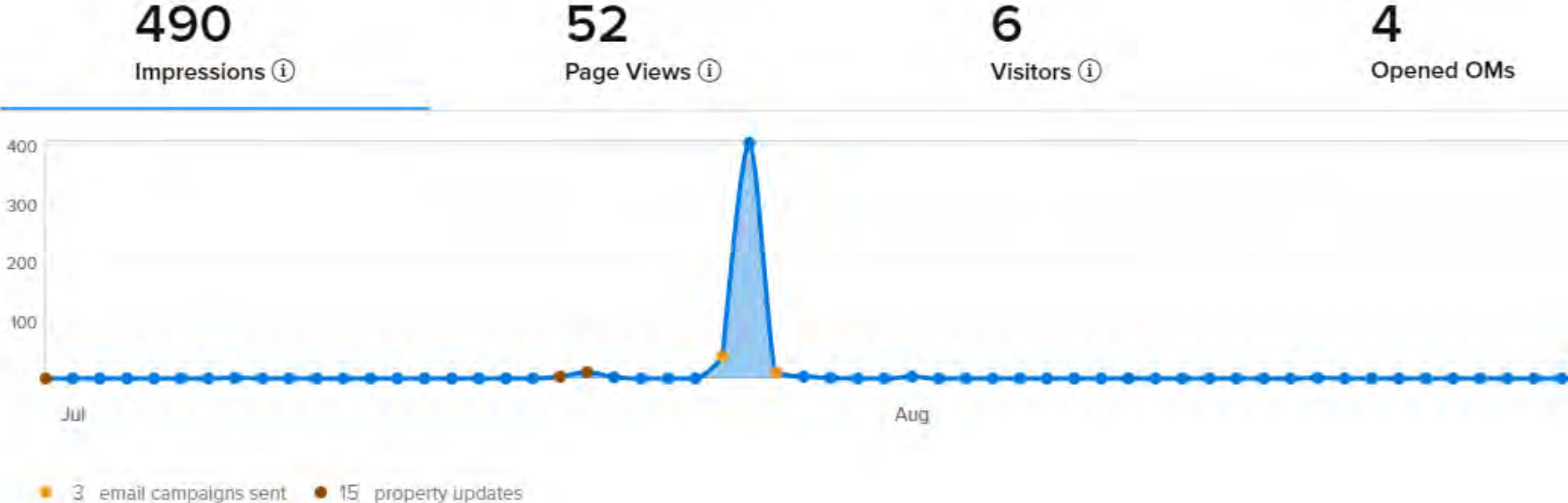


1063-1123 WALNUT CYN. RD
Moorpark, CA
Land | 1.56 acres

SLA - Market Intelligence & Activity

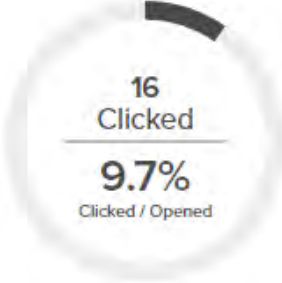
Activity Overview

Shows total activity, email campaign events, and key property updates like price change



Marketing Blasts

359 total emails sent



SLA - Market Intelligence & Activity

Lead Activity

For Sale

For Lease

a month ago	Brian C. 3 PRINCIPAL View Details Contact Lead	Opened OM	1063-1123 Walnut Cyn. Rd Land 1.56 acres
a month ago	Syed K. View Details Contact Lead	Opened OM	780 Walnut Street Land 0.13 acres
a month ago	Peter N. 4.6 PRINCIPAL View Details Contact Lead	Opened OM	1063-1123 Walnut Cyn. Rd Land 1.56 acres
a month ago	chuck d. 2.4 PRINCIPAL View Details Contact Lead	Opened OM	1063-1123 Walnut Cyn. Rd Land 1.56 acres

SLA - Reporting & Tracking

Campaign: Notice of Availability - Surplus Land Act (Property Located in Moorpark, CA)

Emails Requested / Sent	Delivered (% of Sent)	Opened (% of Delivered)	Clicked (% of Opened)
541 / 358	349 (97.5%)	164 (47.0%)	15 (9.1%)

Moorpark SLA Distribution List 7.25.22

Emails Sent (358)	Delivered (349)	Opened (164)	Clicked (15)
alex@manymansions.org	alex@manymansions.org	alex@manymansions.org	alex@manymansions.org
publiclands@hcd.ca.gov	publiclands@hcd.ca.gov	publiclands@hcd.ca.gov	publiclands@hcd.ca.gov
cdart@danco-group.com	cdart@danco-group.com	cdart@danco-group.com	cdart@danco-group.com
chuck.dragicevich@pelicancommunities.com	chuck.dragicevich@pelicancommunities.com	chuck.dragicevich@pelicancommunities.com	chuck.dragicevich@pelicancommunities.com
commonsplaceclt@gmail.com	commonsplaceclt@gmail.com	commonsplaceclt@gmail.com	commonsplaceclt@gmail.com
croddgers@kosmont.com	croddgers@kosmont.com	croddgers@kosmont.com	croddgers@kosmont.com
mnigh@ahacv.org	mnigh@ahacv.org	mnigh@ahacv.org	mnigh@ahacv.org
psalib@crpaffordable.com	psalib@crpaffordable.com	psalib@crpaffordable.com	psalib@crpaffordable.com
reginawins@thewinproject.org	reginawins@thewinproject.org	reginawins@thewinproject.org	reginawins@thewinproject.org
sierraland82@gmail.com	sierraland82@gmail.com	sierraland82@gmail.com	sierraland82@gmail.com
jane.barr@edenhousing.org	jane.barr@edenhousing.org	jane.barr@edenhousing.org	jane.barr@edenhousing.org
jsandifer@moorparkca.gov	jsandifer@moorparkca.gov	jsandifer@moorparkca.gov	jsandifer@moorparkca.gov
peter@ccf-llc.com	peter@ccf-llc.com	peter@ccf-llc.com	peter@ccf-llc.com
smkaleem@hotmail.com	smkaleem@hotmail.com	smkaleem@hotmail.com	smkaleem@hotmail.com
busdev@bridgehousing.com	busdev@bridgehousing.com	busdev@bridgehousing.com	busdev@bridgehousing.com
frank@thompsonhousing.com	frank@thompsonhousing.com	frank@thompsonhousing.com	
sbobbe@shpi.net	sbobbe@shpi.net	sbobbe@shpi.net	
office@conmgmt.com	office@conmgmt.com	office@conmgmt.com	
al@pnd1.com	al@pnd1.com	al@pnd1.com	
allan@orbitprop.com	allan@orbitprop.com	allan@orbitprop.com	
antonio.martin@goldpointhomes.com	antonio.martin@goldpointhomes.com	antonio.martin@goldpointhomes.com	

SLA - Demographic Insights

Household Income

\$89.2k
Median Income

\$107k
2026 Estimate

↑ 4%
Growth Rate

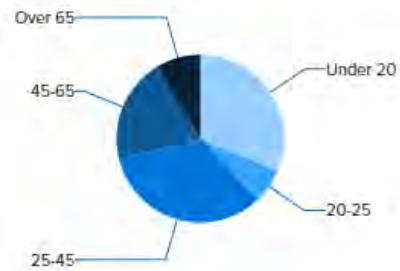


Age Demographics

32
Median Age

34
2026 Estimate

↑ 6%
Growth Rate



Renter to Homeowner Ratio

1:1
1:1 predicted by 2026



Housing Occupancy Ratio

32:1
35:1 predicted by 2026



Number of Employees

7,545

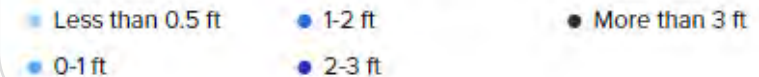
Top 5 Employment Categories



Flood Risk

Depth of Flood Water (ft.)

Based on a 1% chance that any flooding will occur this year.





Appendix A: Alternatives to the Standard SLA Process

Still requires HCD review and other requirements

Exemption Category	Criteria
<p data-bbox="12 514 445 564">“Grandfathering” *</p> <p data-bbox="12 614 586 1178">The version of the SLA in effect before 12/31/2019 applies if the local agency entered into an exclusive negotiating agreement (ENA) or issued a competitive request for proposals (RFP) before 9/30/2019 to dispose of the surplus land</p>	<p data-bbox="624 514 1949 564">Subject to provisions of SLA as it existed on 12/31/2019 if:</p> <p data-bbox="624 628 2484 785">1a The local agency entered into an ENA or other legally binding agreement to dispose of property as of 9/30/2019 and the disposition will be completed on or before 12/31/2022 (Gov. Code § 54234 subd. (a)(1))</p> <p data-bbox="1579 821 1668 849">– or –</p> <p data-bbox="624 871 2484 1192">1b The local agency issued a competitive RFP as of 9/30/2019 for the development of property including at least 100 residential units, with at least 25% of total units restricted to lower-income households; and entered into a disposition and development agreement (DDA) by 12/31/2024 and will complete the disposition by 3/31/2026 pursuant to the DDA (Gov. Code § 54234 subd. (a)(3))</p> <p data-bbox="624 1235 2484 1406">* Property held in the Community Redevelopment Property Trust Fund or a Long-Range Property Management Plan (LRPMP) that is designated for sale or retention is also subject to grandfathering provisions in the SLA. If land in a LRPMP is subject to an exclusive negotiating agreement or legally binding agreement for disposition entered into not later than 12/31/2020 and disposition is completed not later than 12/31/2022, the version of the SLA as it existed on 12/31/2019 applies. (Gov. Code § 54234 subd. (b)(1).)</p>

Exemption Category

Criteria

Streamlining the process for disposing of properties destined for affordable housing
Must meet certain criteria in the SLA

- Eligible for an exemption from standard SLA process if:**
- 2a*** At least 75% of residential units are restricted and affordable to lower-income households and the remaining are restricted to moderate-income households (Gov. Code § 54221 subd. (f)(1)(F)(i))

– or –
 - 2b** At least 80% of the property's area is used for housing; at least 40% of units are affordable to households at or below 60% of AMI; at least half of the above affordable units are affordable to very low-income households; **and** affordable units are subject to at least a 30-year affordability covenant (Gov. Code § 54221 subd. (f)(1)(A))

– or –
 - 2c*** At least 25% of residential units in a mixed-use development are restricted and affordable to lower-income households; **and** the development includes at least 300 residential units and more than one acre in area (Gov. Code § 54221 subd. (f)(1)(F)(ii))
 - 2d** The development has a planned residential density of 100+ units per acre, includes 100+ residential units restricted and affordable to low- or moderate-income households (with 80% of units restricted to lower-income households with an affordable sales price or rent subject to an affordability covenant), **and** the land was transferred by the state to a local agency pursuant to Streets and Highways Code section 32667 prior to 6/30/2019 (Gov. Code § 54221 subd. (f)(1)(K))

* Eligible for exemption provided there is a competitive bidding process and housing sponsors and local public entities specified in Government Code Section 54222 are invited to participate

Exemption Category

Criteria

Land restricted for other public uses

Land restricted for another use (parks, schools, etc.) transferred to federal/state government, land exchanged for other land to be used by the local agency, etc.

Eligible for an exemption from standard SLA process if:

- 3a** The local agency is transferring the surplus land to a local, state, or federal agency for the receiving agency's use, or to a federally recognized California Indian tribe (**Gov. Code § 54221 subd. (f)(1)(D)**)

– or –
- 3b** The local agency is exchanging the surplus land for another property necessary for the agency's use (**Gov. Code § 54221 subd. (f)(1)(C)**)

– or –
- 3c** The local agency is a school district **and** the land is subject to the provisions defined in Government Code section 54221, subdivision (f)(1)(I)

– or –
- 3d** The local agency is a district **and** the property is necessary for the agency's use (**Gov. Code § 54221 subd. (f)(1)(J)**)

– or –
- 3e** The surplus land was granted by the state in trust to a local agency or acquired for trust purposes by purchase or exchange **and** the disposition of land was authorized subject to conditions established by statute (**Gov. Code § 54221 subd. (f)(1)(H)**)

Exemption Category

Criteria

Land unlikely to be suitable for affordable housing
Small parcels, former streets, restrictions that prohibit housing

Eligible for an exemption from standard SLA process if:

4a The surplus land is a former street, right of way, or easement; **and** the surplus land is conveyed to the owner of an adjacent property (Gov. Code § 54221 subd. (f)(1)(E))

- or -

4b The surplus land is a small site within the limits defined in Government Code section 54221, subdivision (f)(1)(B); the surplus land is not contiguous to land owned by a state or local agency that is used for open space or low- and moderate- income housing; and the surplus land is being sold to the owner of contiguous land (Gov. Code § 54221 subd. (f)(1)(B))

- or -

4c The surplus land is subject to valid legal restrictions that are not imposed by the local agency that would make housing prohibited, and there is there no feasible method to mitigate or avoid the prohibition (Gov. Code § 54221 subd. (f)(1)(G))