

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

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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



Successes



As of 3/17/23, HCD has received:

- 525 exempt surplus land declarations
- 237 full dispositions
- Overwhelming majority have been approved

Rendering of the Hollywood Arts Collective project under construction in Los Angeles; the project received an affordable housing exemption under the SLA.

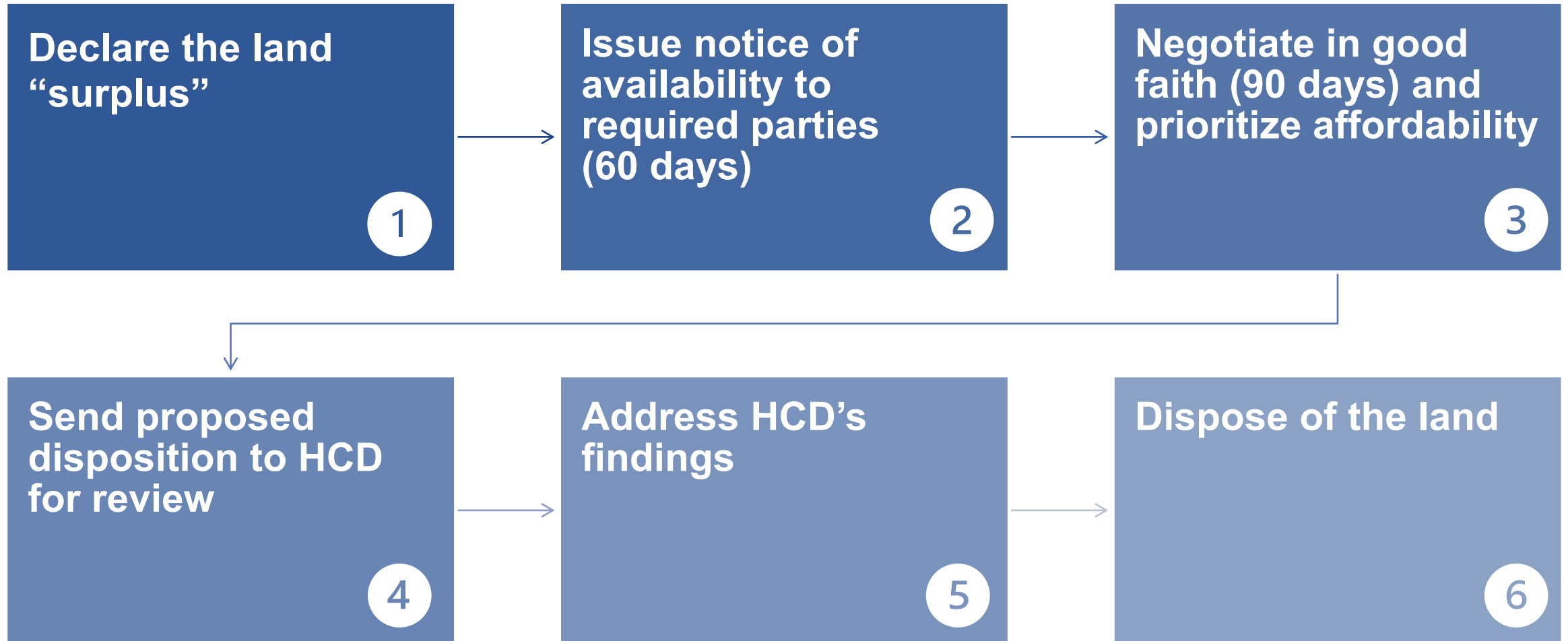


Successes

- The SLA is helping to create housing!
- Through the SLA, HCD has approved dispositions as of 3/17/23 proposing:
 - **8,387 housing units (5,800 affordable)**
- These new homes help jurisdictions and the state meet their housing goals (Regional Housing Need Allocations)



Standard SLA Process for Surplus Land





Declaring property as “Exempt Surplus”

“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 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



Flexibility

- Notice of Availability may include “reasonable conditions or restrictions.”
- If the local agency does not agree to price and terms with an entity, then it may dispose of the property outside of the SLA.
- Exemptions.
- Meeting affordability requirements through multiple buildings.
- HCD is available to walk through the options with local agencies.



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



Updates and Resources Available

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

- [Guidelines](#) – **Updated guidelines expected this year**
- [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!