



Agenda Report

DATE: MARCH 28, 2005

TO: CITY COUNCIL

THROUGH: LEGISLATIVE POLICY COMMITTEE

FROM: CYNTHIA KURTZ, CITY MANAGER

SUBJECT: SUPPORT FOR AND AMENDMENT TO ASSEMBLY BILL 1617
(LIU) SURPLUS PROPERTY

RECOMMENDATION

It is recommended that the City Council: 1) support Assembly Bill 1617 to amend Sections 54235 and 54327 of the Government Code relating to the sale of surplus residential property to local government agencies, and 2) request that the bill be amended to clarify how much local governments pay for surplus properties and within what area affordable housing would need to be created.

BILL SUMMARY

AB 1617 is an act to amend Sections 54235 and 54327 of the Government Code, relating to surplus property. This bill would amend the criteria under which surplus property must be offered for sale to local governments and would restrict the Department of Transportation in attaching terms and conditions to surplus property in its jurisdiction and within what area affordable housing would need to be created.

BACKGROUND

As a result of a realignment of the freeway link, Caltrans has determined that it may not need many of the properties within the 710 Freeway right-of-way within the City of Pasadena. Recently Caltrans declared four of these properties surplus and made them available to public and non-profits through a Request for Proposal process. The City submitted a proposal to acquire the properties but was unsuccessful because the purchase of the units is subject to the provisions of the Roberti Bill (SB 86) that does not give the City a priority position.

The Roberti Bill requires a state agency that is disposing of surplus residential property to offer single family residences first to current occupants if they are the former owners, low to moderate persons who have lived there two years or more,

or somewhat higher income persons if they lived there for five years or more. Single family residences not so occupied and other residential property must next be offered to housing-related public and private entities for use as affordable housing, then offered to any other present occupants, and finally to those who will be owner occupants.

Assemblywoman Carol Liu introduced a bill that will amend certain provisions of the Roberti Bill to enable the City to receive a higher priority in gaining control of these housing units. The bill does not alter the priority order of current occupants or tenants as described above; the change to the priority criteria is limited to placing local government agencies above non-profit agencies if the local jurisdiction intends to either make the units affordable housing or sell the units to create other affordable housing opportunities within a two-mile radius.

Amendments to AB 1617

Based on the initial proposal city staff proposes clarifications to the bill regarding 1) the cost to local governments to purchase surplus property, and 2) application of the bill to non-single family residential properties.

Specifically, the City is requesting that Caltrans not attach any terms to the sale of property to the local government other than a statement of understanding that the property shall be used to provide, or provide funds for, affordable housing within the jurisdiction to which it was sold.

FISCAL IMPACT

Acquisition of the Caltrans properties would allow the City to create affordable housing on site and to generate funding for affordable housing opportunities.

Respectfully submitted


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Caltrans Housing

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