

Agenda Report

TO: CITY COUNCIL

DATE: June 27, 2005

FROM: CITY MANAGER

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

RECOMMENDATION

It is recommended that the City Council:

1. Support Assembly Bill 1617 (Liu) as amended relating to the sale of surplus property to local government agencies, and
2. Authorize the Mayor to send correspondence to the appropriate authorities stating Pasadena's position.

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 local governments would have a higher priority in the option to purchase surplus property along the 710 corridor.

BACKGROUND:

On March 28, 2005, the City Council approved supporting Assembly Bill 1617. This bill was introduced by Assemblywomen Carol Liu to amend certain provisions of the Roberti Bill to enable the city to receive a higher priority in gaining control of surplus housing units along the 710 corridor. The bill does not alter the priority order of current occupants or tenants. The bill does, however, place local governments above non-profit agencies if the local jurisdiction intends

to make the units affordable housing or sell the units to create other affordable housing opportunities.

The purpose of the proposed amendments is to provide assurances to the affordable housing community that sale of surplus property to local governments will result in the expeditious development of affordable housing and that such housing will be distributed throughout the local jurisdiction rather than concentrated into one area. In addition, the amendments separate out procedures for the sale of surplus property to local governments and the sale to non-profit entities into two different paragraphs to eliminate conflicting, confusing, or duplicative language. Specifically, the more significant changes are as follows:

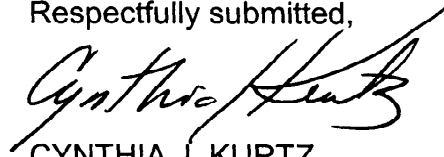
- Definition of the term "one-for-one replacement" as replacement housing developed or constructed, or caused to be developed, shall have the same number of bedrooms as the unit that was sold at fair market value. Replacement units shall have comparable access to services and amenities including, food retail stores, transportation, access points, and recreational facilities.
- The local jurisdiction shall, in consultation with the trade association for non-profit affordable housing developers in whose jurisdiction the property is located, make a determination of properties unsuitable for development as affordable housing.
- The local government shall establish rules for the location of replacement housing units that promote the distribution of affordable housing throughout the local jurisdiction. These rules shall be established by each jurisdiction and shall take into account the existing distribution of affordable housing. The rules shall be updated as necessary to prevent future over-concentration of affordable housing into one area.
- The local government shall obligate such proceeds within 15 months of its purchase of the units from the Department.

AB 1617 passed through the Assembly side of the legislature and will be heard in the Senate side on June 28, 2005.

FISCAL IMPACT:

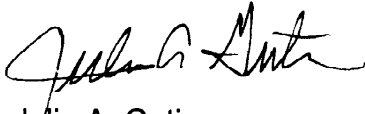
Acquisition of the Caltrans properties would allow the City to create affordable housing on site and to generate funding for affordable housing opportunities.

Respectfully submitted,



CYNTHIA J. KURTZ
City Manager

Prepared by:



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