



April 6, 2021

The Honorable Phil Ting
California State Assembly
Room 6026
Sacramento, CA 95814

Re: Support for AB 1271 (Ting) – Surplus Land Act

Dear Assemblymember Ting:

MidPen Housing Corporation strongly supports AB 1271 (Ting), which will clarify and strengthen provisions in the Surplus Land Act (SLA) to promote the use of public land for affordable housing.

MidPen Housing is one of the nation's leading nonprofit developers, owners, and managers of high-quality affordable housing and onsite resident services. Since MidPen was founded in 1970, we have developed over 100 communities and 8,000 homes for low-income families, seniors, including homeless families and individuals, and those with supportive housing needs throughout Northern California.

Across California, public agencies control significant amounts of unused land that have remained dormant for decades, but are strategically located next to transit, schools, and job opportunities. California's surplus land laws already require such land to be prioritized for purposes of affordable housing, but a narrow scope and lack of clarity within the law prevents surplus land from being used more effectively.

Enacted in 1968, the Surplus Land Act requires all local agencies to prioritize affordable housing, as well as parks and open space, when disposing of surplus land. Before local agencies may dispose of surplus land, they are required to give notice to local public entities and organizations involved in affordable housing development. If a preferred entity expresses interest, the parties must enter into good faith negotiations to determine a sales price or lease terms. While changes to the SLA helped clarify the surplus land act, local agencies have attempted to circumvent this statute. These conflicts have delayed the sale of surplus sites and stunted affordable housing development.

The nuances of the SLA are abundant and this bill will give local agencies much-needed clarification to critical provisions of the act by:

- Defining “dispose of” to allow for utility/conservation easements, varying lease timelines, and existing leases.
- Removing reference to Health and Safety code 50074 in defining “housing sponsor” so that entities that have notified the California Department of Housing and Community

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Development (HCD), as the administering department, of their interest in acquiring surplus land are included on the entire list of interested parties is the list of “housing sponsors” that must be notified of the availability of surplus land.

- Clarifying individual parcels would not be subject to SLA provided that there is at least 25% minimum affording housing to lower income households and must be offered for competitive bid.
- Clarifying that the initial affordable housing sponsor that is unable to reach an agreement on terms of disposition with an agency would have the first right of refusal on the same terms of negotiations subsequently reached with another entity.
- Clarifying that HCD is required to publish all copies of notices of availability.

AB 1271 Surplus land can provide opportunities to create new affordable housing and will ensure those opportunities are fully realized. For these reasons, MidPen Housing Corporation strongly supports AB 1271 (Ting) and encourages the Legislature to pass this important bill.

Sincerely,



Matthew O. Franklin
President & Chief Executive Officer
MidPen Housing Corporation

Cc:

Nevada Merriman, Director of Policy

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