THE SURPLUS LAND ACT

LOCAL AGENCY decides to sell or lease land that it owns. Declares the land as SURPLUS or EXEMPT SURPLUS with written findings at a regular public meeting (§ 54221(b)(l)).

SURPLUS ← EXEMPT SURPLUS

LOCAL AGENCY sends a Notice of Availability to certain entities, including affordable housing developers and HCD (§ 54222).

RESPONSE(S) received within 60 days

LOCAL AGENCY prioritizes proposals for affordable housing and negotiates with responding entity(ies) in good faith for at least 90 Days (§ 54223(a)).

PARTIES REACH AGREEMENT

LOCAL AGENCY can offer the land to other interested purchasers. If 10+ housing units are developed on the land, at least 15% of the total housing units must be sold or rented at affordable costs (§ 54233).

PARTIES DO NOT REACH AGREEMENT

LOCAL AGENCY reports certain information (re: notices sent, negotiations, and affordable housing requirements) to HCD for review (§ 54230.S(b)(l)).

HCD RESPONDS to Local Agency within 30 days that the agency’s process violates the SLA (§ 54230.5(b)(2)(C)).

HCD DOES NOT RESPOND to the local agency OR notifies the local agency that its actions are in compliance with the SLA.
Within 60 days of HCD’s notice, the LOCAL AGENCY can correct the SLA issues or explain in writing why it believes the sale or lease complies with the SLA (§ 54230.5(b)(3)(A)(i),(ii)).

HCD notifies the LOCAL AGENCY that it has neither corrected the SLA issues nor provided a written explanation OR that HCD disagrees with the explanation, then HCD can refer the case to the Attorney General (§ 54230.5(b)(3)(B)).

HCD finds that the LOCAL AGENCY corrects the SLA issues or HCD agrees with its written explanation.

If the LOCAL AGENCY sells or leases the land before correcting the violation, HCD will fine the local agency 30% of the sale price for the first violation and 50% for any subsequent violations. Third parties can sue to enforce these penalties. (§54230.5(a)(l)).

The Attorney General may take action to enforce the SLA.

Third-Party Enforcement: If low-income individuals, affordable housing developers or advocacy groups, or other interested parties believe the local agency violated an step of the SLA, they may sue the local agency to seek compliance or financial penalties (§54230.5(a)(l)).