
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2023 - 2024 Regular Session

SB 240 (Ochoa Bogh) - Surplus state real property: affordable housing and housing for formerly incarcerated individuals

Version: May 2, 2023

Urgency: No

Hearing Date: May 8, 2023

Policy Vote: G.O. 14 - 0, HOUSING 10 - 0

Mandate: No

Consultant: Janelle Miyashiro

Bill Summary: SB 240 authorizes a local agency or nonprofit affordable housing sponsors to be considered as a potential priority buyer of surplus state real property upon demonstration that the property is to be used for housing for formerly incarcerated individuals.

Fiscal Impact: The Department of General Services (DGS) reports unknown, potentially significant foregone revenues from the disposal of surplus state real property at less than fair market value, to the extent this bill limits the sale of real property for housing for formerly incarcerated individuals.

The California Department of Housing and Community Development (HCD) anticipates any fiscal impact to be minor and absorbable.

Background: DGS is currently responsible for the disposition of state-owned property that has been declared surplus to future state needs. The Legislature must declare the property to be surplus and must authorize the Director of DGS to sell, exchange, lease, or transfer the surplus property according to specified procedures set forth in law.

Generally, current law requires surplus property to be transferred or sold at market value, or upon such other terms and conditions that DGS determines are in the best interest of the state. Current law gives right of first refusal on any surplus property to a local agency and then to a nonprofit affordable housing sponsor, prior to being offered for sale to private entities or individuals in the open market. In addition, DGS is authorized to sell surplus property to a local agency or to a nonprofit affordable housing sponsor at a sales price less than fair market value if DGS determines that such a discount will enable housing for individuals or families of low or moderate income.

Proposed Law:

- Adds housing for formerly incarcerated individuals to the list of uses in considering a local agency or nonprofit affordable housing sponsor as a potential priority buyer of surplus state real property.
- Makes other technical, non-substantive, and conforming changes.

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