

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2139 (Garcia) – As Amended April 16, 2026

Policy Committee:	Local Government	Vote:	10 - 0
	Housing and Community Development		9 - 1

Urgency: No                      State Mandated Local Program: No                      Reimbursable: No

**SUMMARY:**

This bill exempts the Ontario Sports Empire in the City of Ontario (City) from the Surplus Land Act (SLA), subject to specified conditions.

Specifically, this bill:

- 1) Creates a new, project-specific exemption to the SLA for certain land owned by the City that is part of a master-planned regional sports and entertainment district.
- 2) Limits the exemption to specified parcels (identified by assessor parcel numbers) that:
  - a) Are subject to a master plan, specific plan, or sectional planning area document consistent with the general plan.
  - b) Are used for integrated district purposes, including sports facilities, recreation, open space, visitor-serving commercial uses, and supporting infrastructure.
- 3) Requires the Ontario City Council to make specified findings at a public meeting regarding the necessity of the exemption.
- 4) Restricts the use of the land and requires deed-restricted affordable housing if any residential development occurs, as specified, including at least 15% of units are affordable to lower income households.
- 5) Authorizes the City to use the exemption only if it meets one of the following conditions:
  - a) The City has not received a notice of violation from the Department of Housing and Community Development (HCD) in the prior five years and has facilitated at least 4,000 housing units in that period, with at least 50% affordable to lower income households, and deposits 10% of the land value into a local housing fund.
  - b) The City deposits 30% of the greater of the sales price or fair market value (or lease value) into a local housing fund at the time of disposition.
- 6) Requires funds collected (including any penalties) to be deposited into a local housing-specific set-aside account and used within three years for housing affordable to extremely low-, very low-, or low-income households.

- 7) Requires unspent funds after three years to revert to the state for deposit into the Building Homes and Jobs Trust Fund or the Housing Rehabilitation Loan Fund for affordable housing in the same jurisdiction, subject to legislative appropriation.
- 8) Specifies that violations are deemed to impact the availability of affordable housing and are treated as second or subsequent violations under existing SLA penalty provisions.
- 9) Requires the provisions of this bill to be recorded as a covenant or restriction running with the land and enforceable against future owners.

#### **FISCAL EFFECT:**

Minor and absorbable costs to HCD.

#### **COMMENTS:**

- 1) **Purpose.** According to the author:

This bill is needed to provide a narrow, project-specific exemption that recognizes the distinct nature of the Ontario Sports Empire while preserving the overall framework of the Surplus Land Act. The proposal is not a broad rollback of surplus land law, but a targeted solution for a defined regional project expected to generate substantial public benefits, including expanded recreational opportunities, youth sports access, job creation, tourism, and local economic activity in the Inland Empire. By allowing the City of Ontario to dispose of and lease land within the project area in a coordinated manner consistent with an adopted plan, this bill will help ensure the successful development of a major community and regional asset.

- 2) **Background. *Surplus Land Act.*** When properties become surplus to an agency's needs, public officials may want to dispose of the land. They can do so under the SLA to recoup their investment by selling or leasing that land for fifteen years or longer, assuming they follow the process specified in the SLA. In 2023, AB 480 (Ting), Chapter 788, and SB 747 (Caballero), Chapter 786 made significant changes to the SLA. Together, these bills attempted to strike a balance between ensuring comprehensive coverage of dispositions while enacting statutory exemptions and other changes that would streamline the process for local governments.

Before local officials can dispose of property, they must first declare, in a public meeting, the land is no longer necessary for the agency's use and must identify the land as either "surplus land" or "exempt surplus land." Before agencies can broadly negotiate to dispose of surplus land on the private market, they must give a "first right of refusal" to other public agencies, nonprofit housing developers, schools, and parks and recreation departments. After notifying these groups that the land is available, the disposing agency must negotiate in good faith with these interested parties for 90 days to try to come to agreement before the local agency can dispose of the surplus land.

***City of Ontario.*** This bill creates a project-specific exemption from the SLA for certain City of Ontario-owned parcels, locally known as the Ontario Sports Empire, that are part of a

master-planned regional sports, recreation, and entertainment district. The bill allows the City to treat specified parcels as “exempt surplus land” where those parcels are governed by an adopted planning framework and are used for integrated district purposes, including sports facilities, recreational amenities, visitor-serving commercial uses, and supporting infrastructure.

According to the City of Ontario, the Ontario Sports Empire covers 199 acres and will be home to a minor league baseball stadium, eight baseball or softball fields, four multiuse soccer or football fields, eight soccer fields, plaza areas, baseball and soccer concession buildings, family activity areas, playgrounds, ticket booths, hotels, retail, dining, entertainment, and parking.

- 3) **Related Legislation.** AB 2525 (Ward), of this legislative session creates an SLA exemption in the City of San Diego in Mission Bay Park. AB 2525 is pending in this committee.

**Analysis Prepared by:** Jennifer Swenson / APPR. / (916) 319-2081