

Date of Hearing: April 29, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 2512 (Valencia) – As Amended March 19, 2026

SUBJECT: Surplus Land Act: exemption: Angel Stadium

SUMMARY: Provides that, if an exemption under the Surplus Land Act (SLA) is applied to the disposition of Angel Stadium by the City of Anaheim to the Los Angeles Angels, any disposition documents and promotional or marketing materials shall refer to the team as the Anaheim Angels, except under certain conditions. Specifically, **this bill:**

- 1) Provides that, if an exemption to the SLA is granted to the City of Anaheim for the disposition of surplus land involving the sale or lease of Angel Stadium to the Major League Baseball (MLB) team known as the Los Angeles Angels, then any materials, including, but not limited to, a lease, deed of sale, and promotional or marketing materials, shall refer to that team as the Anaheim Angels.
- 2) Provides that it is the intent of the Legislature that the requirements in 1), above, would not apply if the City of Anaheim is able to come to an agreement with the MLB team known as the Los Angeles Angels about their affiliation.
- 3) Finds and declares a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the corruption scandal related to the almost sale of Angel Stadium in 2020, and the current lease agreement with the City of Anaheim.

EXISTING LAW:

- 1) Establishes procedures for the disposal of publicly-owned land that is surplus to the needs of local agencies, under the SLA. (Government Code (GOV) Sections 54220 - 54262)
- 2) Defines “disposition” to mean the sale of surplus land or the entering of a lease for surplus land for a term longer than 15 years, inclusive of any extension or renewal option included in the terms of the initial lease, entered into on or after January 1, 2024. (GOV 54221)
- 3) Provides that “disposition” does not mean the entering of a lease for surplus land for a term of 15 years or less, inclusive of any extensions or renewal options, or the entering of a lease in which no development or demolition occurs, regardless of the term of the lease. (GOV 54221)
- 4) Provides that a local agency that disposes of surplus in violation of the SLA is liable for a 30% penalty of the applicable disposition value for a first violation, and 50% for any subsequent violation. Defines “disposition value” to mean either of the following:
 - a) The final sale price of the land or the fair market value of the surplus land at the time of sale as determined by an independent appraisal of the land, whichever is greater; or

- b) The discounted net present value of the fair market value of the lease as of the date the lease was entered into, as determined by an independent appraisal of the lease. (GOV § 54230.5)
- 5) Requires, if a local agency is disposing of surplus land and has received notification from the Department of Housing and Community Development (HCD) that the disposition violates the SLA, the local agency to hold an open and public meeting to review and consider the substance of the notice of violation. A local agency shall not take final action to ratify or approve the proposed disposal of surplus land until this public meeting is held. This public meeting is no longer required if the local agency ceases to dispose of the surplus land after receiving a notice of violation from HCD. (GOV 54230.7)
- 6) Provides, until January 1, 2030, that if HCD notifies the County of Orange or a city within the County of Orange that its planned disposition of surplus land is in violation of the SLA, the jurisdiction shall have 60 days from the date of receipt of the notification of the violation to cure or correct an alleged violation, unless HCD decides that the alleged violation is not a violation within the 60 days. If the jurisdiction has not cured or corrected any alleged violation within 60 days, it shall not dispose of the land until HCD determines that the jurisdiction has complied with the SLA or deems the alleged violation not to be a violation. (GOV54230.8)
- 7) Requires, until January 1, 2030, a jurisdiction that receives a notice of violation from HCD pursuant to e), above, to respond to HCD with a statement describing the actions taken to cure or correct the alleged violation within 60 days of receipt of the notice. HCD shall determine if the local agency's actions have cured or corrected the alleged violation and whether the planned disposal of surplus land would constitute a violation, and notify the jurisdiction of its determination within 30 days. (GOV § 54230.8)

FISCAL EFFECT: Unknown. This bill has been keyed non-fiscal by the Legislative Counsel.

COMMENTS:

Surplus Land Act: Local public agencies are major landlords in some communities, owning significant pieces of real estate. When properties become surplus to a local agency's needs, public officials may want to dispose of the property. 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. The SLA spells out the steps local agencies must follow when they want to dispose of land.

Generally, before local officials can dispose of property under the SLA, they must declare that the land is no longer needed for the agency's use in a public meeting and declare the land 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. Public agencies and nonprofit housing developers interested in developing surplus property are referred to as "housing sponsors."

When a local agency wants to dispose of surplus land, it must send a written NOA to let interested parties, including local public entities with jurisdiction where the surplus land is

located and all interested housing sponsors, know that land is available for the following purposes:

- 1) Low- and moderate-income housing;
- 2) Park and recreation, and open space;
- 3) School facilities; or
- 4) Infill opportunity zones or transit village plans.

If any interested parties respond to the NOA within 60 days, the disposing agency must negotiate in good faith for 90 days with any interested parties who respond to the NOA to try to come to a mutually satisfactory sale or long-term lease agreement. If multiple entities respond to the NOA, the housing sponsor that proposes to provide the greatest number of units, and the highest level of affordable housing, gets priority. If the disposing agency and interested parties cannot agree to mutually satisfactory terms after negotiating in good faith, the agency that owns the surplus land can sell the land on the private market. Before disposing of the land through the private market, the disposing local agency must record a restriction or covenant against the property, maintaining that housing is developed on the property in the future, 15% of the units must be sold or rented at an affordable cost to lower-income households.

The SLA says that nothing in its provisions:

- 1) Limits the power of any local agency to sell or lease surplus land at fair market value or less than fair market value;
- 2) Prevents a local agency from obtaining fair market value for the land;
- 3) Limits a local agency's authority or discretion to approve land use, zoning, or other entitlement decisions in connection with surplus land; or
- 4) Requires a local agency to dispose of land just because it is surplus.

HCD has enforcement authority over the SLA. Furthermore, the SLA may be enforced by affordable housing developers, housing organizations, individuals who would have been eligible to apply for residency in affordable housing, or a beneficially interested person or entity. Local agencies that improperly dispose of surplus land face penalties of 30% of the sale price or market value for the first violation, and 50% for subsequent violations, with penalty revenues going to a local housing trust fund. Before finalizing land dispositions, agencies must notify HCD and provide HCD with documentation of their compliance with the SLA disposition process. HCD has 30 days to review the submitted materials and respond. If HCD finds violations and notifies the disposing local agency within 30 days, the agency has 60 days to address them. If the violations are not addressed, the disposing agency may incur penalties including referral to the Attorney General. However, penalties are void if HCD fails to notify the local agency of a violation within 30 days.

SLA as a Tool for Affordable Housing Production: The SLA is a powerful tool for the production of affordable housing in California. The SLA requires an entity proposing to use surplus land for developing low- and moderate-income housing to deed restrict at least 25% of

the units as affordable. In the event that multiple entities respond to an SLA NOA with an interest to purchase or lease the land, the local agency is required to give priority to housing projects that meet the aforementioned affordability requirements. The disposing entity must also prioritize the number of units proposed, and the affordability levels of those units, while reviewing responses to the NOA and proceeding with negotiations.

Since January 2021, surplus and exempt surplus land dispositions tracked by HCD have resulted in 37,129 housing units, including over 23,686 units of housing affordable to lower-income households, entering the development pipeline.¹

Anaheim Stadium Transaction: In September 2020, the Anaheim City Council approved the sale of Angel Stadium and 150 acres of surrounding land to the owner of the Los Angeles Angels. At the time, the sale was criticized because the initial offering price for the land was \$320 million, which was below the value of \$500 million identified in a city-commissioned appraisal of the site, and which was further lowered to the price of \$150 million in exchange for the funding of 466 affordable housing units and a seven-acre park on the property. In December 2021, HCD notified the City of Anaheim that the sale violated the SLA, and on April 25, 2022, the City and the Attorney General agreed to a settlement that required the City to pay \$123 million for the development of affordable housing on the site, which includes a \$96 million fine equivalent to 30% of the \$320 million final sales price of the land. However, in May 2022, allegations of corruption associated with the deal surfaced.

Specifically, reports became public that the Federal Bureau of Investigation (FBI) was investigating the mayor of the City of Anaheim and alleged that he “shared privileged and confidential information with the Angels during stadium sale negotiations, actively concealed same from a grand jury inquiry, and expects to receive campaign contributions as a result.” The mayor subsequently resigned, and on May 24, 2022, the city council voided the deal.

In 2023, SB 34 (Umberg), Chapter 772, and SB 229 (Umberg), Chapter 774, responded to the “almost disposition” of the Angels Stadium. SB 34 prohibited the County of Orange or any city within the County of Orange from disposing of surplus land if the local agency had received a notice of violation from HCD. SB 34 also prohibited the disposition of surplus land from being completed until HCD determines that the proposed disposition complies with the SLA. SB 229 required a local agency to hold an open and public meeting if it has been notified by HCD that the local agency’s planned disposal of surplus land is in violation of the SLA.

This Bill: This bill requires that any documents relating to the disposition (sale or lease of a term of more than 15 years of Angels Stadium by the City of Anaheim to the MLB team known as the Los Angeles Angels reflect the name “Anaheim Angels” if the disposition uses an exemption under the SLA. The requirement to use the name “Anaheim Angels” extends to any promotional or marketing materials for the team.

Arguments in Support: None on file.

Arguments in Opposition: None on file.

¹ <https://www.hcd.ca.gov/housing-open-data-tools/sla-dashboard>

Related Legislation:

SB 229 (Umberg), Chapter 774, Statutes of 2023, required a local agency to hold an open and public meeting if it has been notified by HCD that its planned disposal of surplus land is in violation of the SLA.

SB 34 (Umberg), Chapter 772, Statutes of 2023, prohibits Orange County, or any city located therein, from proceeding with a planned disposal of surplus land if it receives a notice of violation from HCD and the violation is not corrected within 60 days.

Double-Referred: This bill is double referred. It was heard in the Assembly Committee on Local Government and passed on a vote of 10-0 on April 15, 2026.

REGISTERED SUPPORT / OPPOSITION:**Support**

None on file.

Opposition

None on file.

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