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# SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair

2025 - 2026 Regular

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**Bill No:** AB 2512  
**Author:** Valencia  
**Version:** 3/19/26

**Hearing Date:** 7/1/26  
**Fiscal:** No  
**Consultant:** Favorini-Csorba

## ***SURPLUS LAND ACT: EXEMPTION: ANGEL STADIUM***

*Requires materials related to an exemption for Angels Stadium to refer to the Anaheim Angels.*

### **Background**

***Surplus Land Act.*** Public agencies are major landlords in some communities, owning significant pieces of real estate. When properties become surplus to an agency's needs, public officials want to sell the land to recoup their investments. The Surplus Land Act (SLA) spells out the steps local agencies must follow when they want to dispose of land. It requires local governments to give a "first right of refusal" to other governments and nonprofit housing developers, and to negotiate in good faith with them to try to come to agreement. This means that local agencies must open their properties up to affordable housing developers first, even if they have a different purpose in mind for the property.

Before local officials can dispose of property, 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." Land that is being used for an agency's use is not subject to the SLA. "Agency's use" includes land that is being used, or is planned to be used pursuant to a written plan adopted by the local agency or will be disposed of to support agency work or operations.

The SLA designates a lengthy list of types of land that are "exempt surplus land," such as land that is being transferred to another public entity or an Indian Tribe, or land that is subject to a valid legal restriction that prohibits residential uses on the property. Statute provides that the entirety of the SLA does not apply to disposals of exempt surplus land. All other surplus land must follow the procedures laid out in the SLA before a local agency can sell it.

***SLA process.*** Before agencies can enter into negotiations to dispose of surplus land, they must send a written notice of availability to various public agencies and nonprofit groups, referred to as "housing sponsors," notifying them that land is available for the following purposes:

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

Housing sponsors can notify the Department of Housing and Community Development (HCD) if they are interested in acquiring surplus land to develop affordable housing. HCD maintains a list of notices of availability on its website.

If another agency or housing sponsor wants to buy or lease the surplus land for one of these purposes, it must tell the disposing agency within 60 days. The agency and the housing sponsor then have an additional 90 days to negotiate a mutually satisfactory price and terms in good faith. If they cannot agree, the agency that owns the surplus land can sell the land on the private market. If surplus land is not sold to an affordable housing developer, but housing is developed on it later, 15 percent of the units must be sold or rented at an affordable cost to lower income households.

Local agencies that dispose of surplus land in violation of the SLA face penalties totaling 30 percent of the sales price, or fair market value of the sale or lease, of land disposed of in violation of the SLA for a first violation, and 50 percent for subsequent violations. These penalty revenues must be deposited in a local housing trust fund.

***Recent SLA revisions.*** Two bills chaptered in 2023, SB 747 (Caballero) and AB 480 (Ting), made significant changes to the SLA. Collectively, the bills balanced ensuring comprehensive coverage of dispositions, while enacting exemptions and other changes that would streamline the process for local governments. Specifically, SB 747 and AB 480:

- Define “dispose” in the law to include leases of longer than 15 years that are entered into on or after January 1, 2024, but exclude leases of shorter than 15 years and leases where no development or demolition will occur;
- Apply penalties to leases that violate the SLA, but provide that penalties don’t apply to non-substantive violations of the SLA;
- Add numerous categories of exempt surplus land, such as properties of smaller than one-half acre, specified mixed-use developments and developments on larger sites that include affordability requirements, airport land, and others;
- Authorize disposal of certain categories of exempt surplus land without a public hearing, as long as specified notice is provided;
- Establish additional types of activities that explicitly qualify as “agency’s use”; and
- Extend provisions that allow projects with an exclusive negotiating agreement in place to follow a previous version of the SLA.

HCD’s guidelines for the SLA adopted after the chaptering of these bills require agencies proposing to use an exemption to file a notice of exemption with HCD that HCD reviews within 30 days of receipt.

***Angel Stadium.*** The City of Anaheim owns Angel Stadium, a Major League Baseball (MLB) stadium that is the home stadium of the MLB team the Los Angeles Angels. Anaheim leases the stadium and the land around it to the team’s ownership. The Angels ownership has leased the stadium since 1996 under an agreement that requires Angels ownership to maintain the stadium at its own expense subject to certain conditions. However, both the city and Angels ownership annually contribute to a capital reserve fund based on a formula, which Angels ownership may use for improvements. Under certain conditions, the lease also requires Angels ownership to provide Anaheim with a share of the revenue from ticket sales for baseball games, parking, and other events using specified formulas. The lease agreement ends on December 31, 2032, but contains an option for Angels ownership to extend it by up to six more years.

In September 2020, Anaheim approved the sale of Angel Stadium and 150 acres of surrounding land to Angels ownership. 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 percent of the \$320 million final sales price of the land. Anaheim denied wrongdoing. 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. Because the transaction did not occur, the settlement agreement between the Attorney General and the City is no longer operative.

In 2023, SB 34 (Umberg) and SB 229 (Umberg) 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.

The author wants to ensure that Angel Stadium is known for its connection to the City of Anaheim.

### **Proposed Law**

Assembly Bill 2512 requires 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 Angels, then any materials, including, but not limited to, a lease, deed of sale, and promotional or marketing materials, must refer to that team as the Anaheim Angels. The bill provides that it is the intent of the Legislature that those requirements do not apply if the City is able to come to an agreement with the Angels about their affiliation.

### **Comments**

1. Purpose of the bill. According to the author, “The City of Anaheim has been home to this franchise for nearly 60 years. Yet the team’s name does not reflect that history or our community. The Home Run for Anaheim Act will restore the name of the Angels Major League Baseball team to Anaheim Angels if the City of Anaheim is granted an exemption to the surplus land act. Restoring the team’s name will present new marketing opportunities for the City and will recognize the residents who grew up attending Angels’ games.”

2. Sure, but will it work? Numerous exemptions to the SLA exist for certain uses of local agency properties, but they are typically reserved for circumstances where local governments are transferring properties to affordable housing developers or other governmental entities, or are

subject to strict restrictions on the property’s use. AB 2512 provides that if one of these exemptions, or potential future exemptions, apply to the sale or lease of Angel Stadium to the Angels, then the materials must call them the Anaheim Angels. AB 2512 does not enact an exemption, and it is unclear whether any existing exemptions would apply. Furthermore, the Legislature may be reluctant to grant any future exemptions for Angel Stadium, given the significant concerns that arose around the prior disposition. As such, AB 2512 may have limited effect.

3. Special legislation. Section 16 of Article IV of the California Constitution prohibits special legislation when a general law can apply. AB 2512 contains findings and declarations explaining the need for legislation that applies only to the City of Anaheim because of corruption scandal related to the almost sale of Angel Stadium in 2020, and the current lease agreement with the City of Anaheim.

**Assembly Actions**

Assembly Local Government Committee:	10-0
Assembly Housing and Community Development Committee:	12-0
Assembly Floor:	72-0

**Support and Opposition** (6/26/26)

Support: Orange County Employees Association

Opposition: None Submitted

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