

CONCURRENCE IN SENATE AMENDMENTS

AB 76 (Alvarez)

As Amended July 17, 2025

Majority vote

SUMMARY

Modifies the affordability and density requirements of the Surplus Land Act (SLA) exemption that applies to land subject to a sectional planning document adopted prior to January 1, 2019.

Senate Amendments

Clarify that at a minimum 500 units of housing be affordable to lower income households.

Make technical and conforming changes.

COMMENTS

Background. The City of Chula Vista acquired parcels over several decades in order to facilitate the development of a university campus. The history of the land acquisition dating back to 1990 and continuing through 2014 is detailed in the city's UI-SPA. The parcels were acquired through a variety of agreements that placed various legal restrictions on the type of developments allowed on the land. City staff consulted with HCD and sought an SLA exemption from HCD for these parcels that are critical to the UI-SPA. Chula Vista staff prepared a memo for the Chula Vista City Council detailing the status of the parcels and the legal restrictions applicable to each parcel.

The City of Chula Vista and HCD. Each parcel identified by the city is subject to some form of legal restriction that controls for the type of development allowed on the parcel. The SLA allows for exemptions for parcels owned by local agencies that are subject to legal restrictions that are not imposed by the local agency (e.g. not imposed by the local agency's zoning code). Legal restrictions, such as deeds and covenants that are not imposed by the local agency that owns the land are not uncommon. However, the SLA only allows exemptions for legal restrictions that would make housing prohibited, unless there is a feasible method to satisfactorily mitigate or avoid the prohibition on the site.

The City of Chula Vista maintains that the restrictions on the property prohibit housing on the parcels, other than such housing necessary to fulfill the public purpose for university or educational uses, and that the disposal of the parcels should not be subject to the SLA. In analyzing the restrictions, HCD generally found that while the restrictions may limit the type of development allowed on the property to specific purposes (e.g. university development) the restrictions either do not "make housing prohibited," or they allow for some form of housing development (e.g. university housing). With the exception of a parcel subject to a superior court order, HCD further found that the city was a party to the original agreements and, therefore, could not claim that the restrictions were not imposed by the city.

HCD informed the City of Chula Vista that it must follow the standard SLA protocols when disposing of the property. Additionally, HCD noted for several of the properties that "the city may include a reasonable condition or restriction in the notice of availability (NOA) of the Property i.e., the City may include in the NOA that, because the Property was acquired for

university purposes, the City envisions a development project on the Property that includes both housing and university uses."

AB 129 (Committee on Budget, Chapter 40, Statutes of 2023) created an SLA exemption for land subject to a sectional planning area adopted prior to January 1, 2019 if that sectional planning area is consistent with county and city general plans. To qualify for an exemption, the land must be dedicated for the local agency's use before January 1, 2019.

According to the Author

"Chula Vista's university effort is positioned to benefit the region greatly. A university presence in the South County would be a key player within the regional economy, producing graduates who occupy regional jobs, employing thousands of local workers, and contributing to the regional and state economies. A South County university presence would also provide more equitable access to higher education. Bachelor's degree holders have greater earning power and can earn about \$32,000 more annually than those with a high school diploma. The City will develop approximately 4,000 residential units as part of the mixed-use UID project. The change in AB 76 is needed to build a much-needed four-year university in South County and provide the housing necessary for the university's students, faculty, and staff."

Arguments in Support

The City of Chula Vista writes in support, "Since the adoption of the Otay Ranch General Development Plan in 1993, the City of Chula Vista has pursued a vision of locating a university within eastern Chula Vista. This vision is also reflected in the Otay Ranch General Development Plan and Sectional Planning Area Plan for a new UID. Under the adopted planning documents that govern the development of the site, the UID will accommodate up to 20,000 students with an innovation district capable of building approximately 10 million square feet of mixed-use development, inclusive of four million square feet of academic space, two million square feet of commercial space for business innovation uses, and 3.6 million square feet of housing.

"The City has committed to allocating 25% of the entitled housing units as affordable. While this commitment has not changed, restrictions on 'affordable housing', as defined by the U.S. Department of Housing and Urban Development (HUD), does not allow for student and faculty housing to be designated as affordable. Proper planning for student housing is critical in developing a new university. Therefore, AB 76 seeks to clarify the affordability requirement by excluding housing designated for students, faculty, and university employees from the affordable housing ratio, reaffirming the City's intent to develop the UID in a manner consistent with the existing land use entitlements for the project."

Arguments in Opposition

None on file.

FISCAL COMMENTS

None.

VOTES:

ASM LOCAL GOVERNMENT: 8-1-1

YES: Carrillo, Pacheco, Ramos, Ransom, Blanca Rubio, Stefani, Ward, Wilson

NO: Ta

ABS, ABST OR NV: Hoover

ASM HOUSING AND COMMUNITY DEVELOPMENT: 10-1-1

YES: Haney, Patterson, Ávila Farías, Caloza, Garcia, Kalra, Lee, Quirk-Silva, Wicks, Wilson

NO: Ta

ABS, ABST OR NV: Tangipa

ASSEMBLY FLOOR: 66-0-13

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Bonta, Bryan, Calderon, Caloza, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Fong, Gabriel, Garcia, Gipson, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Ward, Wicks, Wilson, Zbur, Rivas

ABS, ABST OR NV: Arambula, Boerner, Carrillo, Castillo, Flora, Gallagher, Jeff Gonzalez, Irwin, Macedo, Celeste Rodriguez, Sanchez, Tangipa, Wallis

UPDATED

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