
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 1145 (Grayson) - California Environmental Quality Act: surplus land disposal requirements: exemption

Version: April 28, 2026

Urgency: No

Hearing Date: May 11, 2026

Policy Vote: L. GOV. 7 - 0, E.Q. 7 - 0

Mandate: Yes

Consultant: Mark McKenzie

Bill Summary: AB 1145 would exempt the disposal of land that is conveyed from the federal government to a local reuse authority under specified federal laws governing military base closure and realignment from the requirements of the Surplus Land Act (SLA) under specified circumstances. The bill would also require a local agency to include the number of units permitted on this property and the percentage of homes restricted to low and moderate income families or lower income households in its annual progress report (APR), as specified.

Fiscal Impact:

- The Department of Housing and Community Development (HCD) estimates costs could be in the hundreds of thousands of dollars. Specific workload would include updating the APR form and related technical assistance materials, providing technical assistance, developing one-time enhancements to the HCD Connect database and existing related reports, and responding to new report requests. Based on previous similar bills that required new information to be reported on the APR, HCD's one-time costs may be in the range of approximately \$100,000 to update APR forms and make necessary IT changes to account for the new data, and ongoing costs could be in the range of \$200,000 for staff resources to manage the other workload. Staff notes that costs directly attributable to this bill would likely be lower in the near term since it is intended to apply to a base closure in the City of Concord, and could also be lower than these estimates to the extent that multiple APR-related bills are enacted. See Staff Comments. (General Fund)
- Unknown, likely minor local costs for a local reuse authority to include additional information in its APR about development of residential units on land conveyed to the local authority by the federal government. These costs are not state-reimbursable because local agencies have general authority to charge and adjust planning and permitting fees to cover their administrative expenses associated with new planning mandates. (local funds)

Background: Existing law, the Surplus Land Act, requires local agencies to compile an inventory of all lands under the agency's control that are in excess of its foreseeable needs at the end of each calendar year, and to include specified information related to surplus lands in annual progress reports to HCD. Existing law prescribes a process for disposing of surplus property that is no longer necessary for a local agency's use to certain entities for preferred purposes prior to offering the land on the open market. Existing law requires any local agency disposing of surplus land to first offer it for sale or lease for the purpose of developing low- and moderate-income housing. Prior to

disposing of surplus property, the local agency must send a written offer to sell or lease the property to specified entities, such as housing authorities, affordable housing developers, specified parks and recreation entities, school districts, and transportation entities, depending on the proposed use of the land. An interested agency must notify the disposing agency in writing of its intent to purchase the land within 60 days. An entity proposing to use the surplus land for development of low- and moderate-income housing must agree to designate at least 25% of the units as lower-income.

Existing law designates certain types of land as “exempt surplus land” that may be disposed of without following the general requirements of the SLA. A local agency must take a formal action in a regular public meeting to declare that land is surplus, and not necessary for the agency’s use, and to declare the land as either “surplus land” or “exempt surplus land,” as supported by written findings, before the agency can take an action to dispose of the property.

Existing law requires HCD to make educational resources and materials to inform local agencies of their obligations under the SLA, and requires the department to maintain an up-to-date listing of all notices of availability of local surplus properties on its website. Existing law requires a local agency, prior to agreeing to the terms for the disposition of surplus land, to provide specified information about its disposition process to HCD, which must provide written findings within 30 days that note any process violations that have occurred. The local agency would have 60 days to correct the violations or adopt a resolution with findings explaining why the process is not in violation. A local agency that disposes of land in violation of the SLA is liable for a penalty of 30% of the final sale price for a first violation and 50% for subsequent violations. HCD is also authorized to notify the Attorney General of local Surplus Land Act violations.

Located in the City of Concord, the Concord Naval Weapons Station (CNWS) was established by the Navy in the 1940s during World War II. Comprising 5,028 acres, the Inland Area of the base was deactivated in 1997, and in 2006, the Department of Defense selected the City of Concord to act as the local reuse authority for CNWS in 2006. In 2007, the Navy declared the property surplus to begin the process of transfer to the City of Concord. Closure of CNWS spurred the City and community to contemplate the reuse of the property. In 2012, the City adopted the Concord Reuse Project Area Plan, with the vision of a transit-oriented, mixed use community, termed the Concord Community Reuse Project. The adopted Area Plan provides for over 12,000 housing units, 25% of which must be affordable for low-income households, and over 6 million square feet of commercial and employment-generating space of all types.

On March 19, 2024, the City of Concord approved a term sheet with master developer BCUS Acquisitions LLC (Brookfield) for development of the CNWS site. The term sheet sets forth the parameters for negotiating a disposition and development agreement (DDA) and a development agreement between the City and Brookfield governing the transfer of property to Brookfield and the land use approvals for the site. The term sheet requires a variety of public benefits, including:

- *Affordable housing.* The project sets a 25% affordable housing goal. Brookfield will provide infrastructure and building pads valued at an estimated \$146 million to accommodate 3,068 low-income units. Additionally, Brookfield will contribute \$50 million directly toward affordable housing projects;

- *Community facilities.* Brookfield will donate land for a Veterans Hall (4 acres), homeless housing (4 acres), a Food Bank expansion (10 acres), and future schools (55 acres). Brookfield will also provide \$65 million for a Campus District Community Center/Library and up to \$10 million for fire stations;
- *Parks and open space.* Brookfield will donate 886 acres of developed parks and trails, contribute \$100 million for a Tournament Sports Park, and fund the phased restoration of the Mount Diablo Creek corridor.

The term sheet also provides for a Project Labor Agreement (PLA) with the Contra Costa Building and Construction Trades and the Nor Cal Carpenters Union and includes provisions prioritizing local hiring and business opportunities.

Proposed Law: SB 1145 would provide an exemption from the SLA for lands conveyed by the federal government to a local reuse authority pursuant to federal military base closure and realignment laws under certain conditions. Specifically, this bill would:

- Specify that the SLA does not apply to the disposal of land that is conveyed by the federal government to a local reuse authority pursuant to specified federal law governing military base closure and realignment if both of the following conditions are met:
 - The local reuse authority enters into a specified agreement with a recipient providing that at least 25 percent of the aggregate residential units developed on the land will be restricted to lower income households with an affordable housing cost for a minimum of 45 years, or affordable rent for 55 years.
 - The recipient of the land is subject to a project labor agreement (PLA), as specified.
- Require the local agency, beginning on January 1, 2032 and every five years thereafter, to report to HCD and the Legislature whether the agreement requires at least 25 percent of residential units developed on the land are restricted to lower income households, and whether the recipient is subject to a PLA, as specified.
- Require the local reuse authority, if it is a city or county, to include information on its APR regarding the status of development of residential units on the former military base, including the number of residential units permitted and the percentage of those that are restricted for persons and families of low- or moderate-income or lower income households.
- Require the local reuse authority to notify HCD and the Legislature within 30 days of amending a specified agreement in a manner that would modify the affordability requirements for residential units developed on former military base lands.
- Require any action challenging the applicability of this SLA exclusion to be brought within 90 days of the local reuse authority's approval of a specified disposition agreement regarding the disposition of any or all of the land by the local reuse authority, and not at the time of each subsequent conveyance or phased conveyance of the land.
- Specify that the Final Environmental Impact Report for the Concord Community Reuse Project (CRP) Plan and Addendum shall be conclusively presumed to satisfy the requirements of this division for any project within the plan area that is consistent with the plan and has the same land use types, and locations for those land use

types, as adopted in the Final Environmental Impact Report for the Concord Community Reuse Project Plan and Addendum.

- Specify that any additional land use types or location of land use types that are not the same as those adopted in the CRP area plan reviewed in the specified environmental impact report for the CRP plan and addendum shall be a project subject to subsequent review, provided that any such review shall tier off existing environmental review in the city's general plan and shall not be required to conduct redundant analysis to what was adopted in the SRP area plan, as specified.

Related Legislation: SB 719 (Min), which died without a hearing in the Assembly Local Government Committee in 2021, would have authorized a local agency to declare specified land comprising the former Tustin Marine Corps Air Station as “exempt land” under the Surplus Land Act under specified conditions. The bill required the local agency to include the number of units permitted on this property and the percentage of homes restricted to low and moderate income families or lower income households in its annual progress report (APR) to HCD on its general plan.

Staff Comments: HCD estimates that total costs to implement this bill, combined with several others, would be in the hundreds of thousands of dollars. Based on the projected fiscal impacts provided for several bills last year that added new requirements to the APR, staff estimates that HCD may incur staff workload costs in the range of \$100,000 to coordinate with the local reuse authority, review documentation supporting exempt status of certain lands, review information submitted on the APR each year, and monitor compliance with affordability requirements. HCD also previously estimated one-time costs of approximately \$100,000 to make changes to the APR form and make IT changes to the HCD Connect database to accommodate new data elements. HCD notes that there are multiple bills pending in the Legislature that would revise the information that local agencies incorporate into their APRs, including this bill, all of which would create ongoing staff workload for HCD's Data and Innovation Unit for new data collection and coordination with local agencies, as well as one-time costs to make changes to the APR form and IT systems. Any ongoing staffing needs and one-time resources necessary for database and form updates should be sufficient to accommodate the workload associated with all of those bills. As such, staff notes that the costs directly attributable to this bill would likely only represent a portion of the one-time and ongoing costs noted above if multiple bills are enacted that require workload associated with new APR requirements.

For context, SB 719 (Min, 2021) was a similar bill pertaining to the designation of certain lands comprising the former Tustin Marine Corps Air Station as “exempt land” under the SLA, and required the local reuse authority to report specified information on its APR. For that bill, HCD estimated that it would have incurred total costs of approximately \$87,000 annually for 0.5 PY of staff time to review documentation supporting exempt status, review APRs each year, monitor local compliance plans, and update Surplus Land Act guidelines. Staff estimates that the costs to implement and administer the provisions of SB 1145 would be of a similar magnitude in the near term. To the extent additional local reuse authorities would be exempted from the SLA in the future, HCD would likely incur additional annual oversight costs.