

# OAKLEY

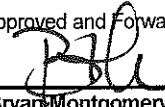


Agenda Date: 06/13/2017  
Agenda Item: 3.9

## STAFF REPORT

**Date:** June 13, 2017  
**To:** Bryan Montgomery, City Manager  
**From:** Joshua McMurray, Planning Manager  
**SUBJECT:** **ADOPT A RESOLUTION TO COMPLY WITH ASSEMBLY BILL 2135, THE SURPLUS LAND ACT**

Approved and Forwarded to City Council:

  
Bryan Montgomery, City Manager

### Background

In 1968 California passed the Surplus Land Act, which requires that local agencies give entities a right of first refusal when disposing of public lands in the event the site could be utilized for affordable housing and/or parks. In 2015, this law was strengthened in a variety of ways, including encouraging local agencies to use surplus lands to encourage the building of affordable housing proximate to transit corridors.

### Analysis

The Metropolitan Transportation Commission (MTC) distributes federal transportation funds to Bay Area cities and counties. MTC manages a program called One Bay Area Grant Program (OBAG 2), which will allocate approximately \$916 million, \$386 million of which will be focused on city and county projects.

Accessing OBAG 2 funds requires recipient agencies adopt a resolution demonstrating compliance with the Surplus Land Act. Oakley already has to comply with the Surplus Land Act as it is State Law. Adoption of the resolution simply makes us eligible for OBAG 2 grant application consideration. The 2015 revision to the law (AB 2135) includes the following terms:

- Where there are multiple bids for a parcel of surplus land, priority must be given to projects planning the largest number of affordable housing units.
- Extends the negotiating period between public agencies and entities seeking to lease or purchase public land for affordable housing development from 60 to 90 days.
- A public agency declining the price/terms of an entity given notice under the Act, which continues to develop 10 or more residential units at the site, must ensure 15% of the units be affordable for low-income households.
- Extends required term of affordability to 55 years.

- Requires covenants that ensure affordability is maintained despite ownership transitions.
- Public agencies may now sell land below fair market value for the purpose of low-income housing development.
- Extends the Act's repayment period for land sold for affordable housing to beyond 20 years.
- Encourages local agencies to bolster transit use by locating affordable development near transit facilities.

### **Fiscal Impact**

The City of Oakley is likely to be adversely financially impacted if we opt not to adopt this resolution. Because the resolution is required to participate in the OBAG 2 grant program, without it we are ineligible for consideration to receive funds from the program. The City is currently expecting \$969,000 from the Local Streets and Roads Preservation portion of OBAG 2 funds.

### **Recommendation**

Staff recommends that the City Council of the City of Oakley resolution to comply with Assembly Bill 2135, Surplus Land Act (California Government Code § 54220, et seq.).

### **Attachments**

1. Proposed City Council Resolution

**RESOLUTION NO. XX-17**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
OAKLEY DEMONSTRATING COMPLIANCE WITH THE STATE  
SURPLUS LAND ACT (AS AMENDED BY ASSEMBLY BILL NO. 2135)**

**WHEREAS**, the San Francisco region has the highest housing costs in the United States; and

**WHEREAS**, the Bay Area produced less than 30% of the need for low- and moderate income housing units from 2007-2014; and

**WHEREAS**, there are limited funding sources available to secure land for the construction of low- and moderate-income housing; and

**WHEREAS**, public lands can play a critical role in increasing the supply of land for affordable housing; and

**WHEREAS**, the Metropolitan Transportation Commission (MTC) adopted a resolution, outlining the programming policy and project selection criteria for the One Bay Area Grant Program (OBAG 2), including the requirement that a local agency that applies for grant funding under the OBAG 2 program adopt a resolution demonstrating that it will comply with the Surplus Land Act; and

**WHEREAS**, the City is currently applying for a MTC OBAG 2 grant and in the future may apply for additional OBAG program funds and wishes to certify that any disposition of surplus land undertaken by the City of Oakley has and will continue to comply with the State Surplus Land Act.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLEY RESOLVES** that the City of Oakley shall comply with the terms of the California Surplus Land Act (California Government Code § 54220, *et seq.*), as it now exists or as it may be amended in the future.

**PASSED AND ADOPTED** by the City Council of the City of Oakley at a meeting held on the 13<sup>th</sup> of June, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

APPROVED:

\_\_\_\_\_  
Sue Higgins, Mayor

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Libby Vreonis, City Clerk

\_\_\_\_\_  
Date