

Introduced by Senator Evans

February 22, 2013

An act to amend Section 118 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 697, as introduced, Evans. Department of Transportation: sale of excess state highway property.

Existing law provides that the Department of Transportation shall have full possession and control of the state highway system and associated real property. Existing law, if the department determines that real property, or an interest in the property, acquired for highway purposes is no longer necessary for those purposes, authorizes the department to sell or exchange the property or property interest in the manner and upon terms, standards, and conditions established by the California Transportation Commission, as specified.

This bill would make a nonsubstantive change to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 118 of the Streets and Highways Code
- 2 is amended to read:
- 3 118. (a) If the department determines that real property or an
- 4 interest therein, previously or hereafter acquired by the state for
- 5 highway purposes, is no longer necessary for those purposes, the
- 6 department may sell, contract to sell, sell by trust deed, or exchange
- 7 the real property or interest therein in the manner and upon terms,

1 standards, and conditions established by the commission. The
2 payment period in a contract of sale or sale by trust deed shall not
3 extend longer than 10 years from the time the contract of sale or
4 trust deed is executed, and a transaction involving a contract of
5 sale or sale by trust deed to private parties shall require a
6 downpayment of at least 30 percent of the purchase price, except
7 as follows:

8 (1) For improved and unimproved real property sold or
9 exchanged for the purpose of housing for persons and families of
10 low or moderate income, as defined in Section 50093 of the Health
11 and Safety Code, the payment period shall not exceed 40 years
12 and the downpayment shall be at least 5 percent of the purchase
13 price. All contracts of sale or sales by trust deed, for the purpose
14 of housing for persons and families of low or moderate income
15 shall bear interest. The rate of interest for the contract or sale shall
16 be computed annually, and shall be the same as the average rate
17 returned by the Pooled Money Investment Board for the past five
18 fiscal years immediately preceding the year in which the payment
19 is made. The contract of sale and sales by trust deeds shall not be
20 ~~utilized~~ *used* if the proposed development or sale qualifies for
21 financing from other sources and if the financing makes feasible
22 the provision of low- and moderate-income housing.

23 (2) Improved residential property sold to a local public agency
24 pursuant to paragraph (1), if subsequently sold or transferred to a
25 nonprofit housing organization, shall have the endorsement of the
26 city in which the parcels are located, or the county if the parcels
27 are located in an unincorporated area, that the housing shall remain
28 at affordable housing costs to persons and families of low or
29 moderate income and very low income households for the longest
30 feasible time, but for not less than 15 years, as determined by the
31 city or county, as applicable. By endorsing the sale, the city or
32 county accepts the responsibility of ensuring the housing remains
33 affordable. The local public agency shall record in the office of
34 the county recorder covenants or restrictions implementing this
35 subdivision. Notwithstanding any other provision of law, the
36 covenants or restrictions shall run with the land and shall be
37 enforceable against the original purchaser from the department
38 and successors in interest.

39 (b) A conveyance under this section shall be approved by the
40 commission and shall be executed on behalf of the state by the

1 director and the purchase price shall be paid into the State Treasury
2 to the credit of any fund, available to the department for highway
3 purposes, which the commission designates.

4 (c) Any such real property or interest therein may in like manner
5 be exchanged, either as whole or part consideration, for any other
6 real property or interest therein needed for state highway purposes.

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