

AMENDED IN ASSEMBLY JUNE 9, 2016
AMENDED IN ASSEMBLY JUNE 8, 2016
AMENDED IN SENATE JANUARY 26, 2016
AMENDED IN SENATE MAY 14, 2015

SENATE BILL

No. 680

**Introduced by Senator Wieckowski
(Coauthor: Senator Beall)**

February 27, 2015

An act relating to state real property, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 680, as amended, Wieckowski. State real property: surplus: City of Santa Clara.

Existing law provides that the Director of General Services may acquire and dispose of surplus state real property where that property is not needed by another state agency and the Legislature has authorized disposal of the property. Existing law also specifies the manner in which the Department of General Services is to dispose of surplus state real property. Existing law authorizes the director, subject to certain conditions, to sell, lease, or exchange a specified parcel of real property in the City of Santa Clara upon terms and conditions and subject to reservations and exceptions that the director determines are in the best interests of the state.

This bill would authorize the director to modify the existing terms and conditions of the transfer to the Housing Authority of the City of Santa Clara of a specified parcel of real property within the City of Santa Clara to allow for residential development of that parcel, as

provided. ~~The bill would exempt related state activities from certain provisions of the California Environmental Quality Act.~~ The bill would, as a condition of modifying the terms and conditions of the transfer, require the City of Santa Clara to indemnify, defend, and hold harmless the state from any and all claims, damages, or liabilities arising out of, in connection with, or directly or indirectly resulting from the exercise of the rights authorized by these provisions by the City of Santa Clara, the Housing Authority of the City of Santa Clara, and any subsequent purchaser or transferee of the property. The bill would also require the state to select counsel in any action arising out of, in connection with, or directly or indirectly resulting from the exercise of these rights.

The California Constitution requires that the proceeds from the sale of surplus state property be used to pay the principal and interest on bonds issued pursuant to the Economic Recovery Bond Act until the principal and interest on those bonds are fully paid, after which these proceeds are required to be deposited into the Special Fund for Economic Uncertainties, a continuously appropriated fund.

This bill would, if the property described above is used for a residential development, require the department to determine the difference between the actual price paid by the local agency for the property and the fair market value of the property and require the Housing Authority of the City of Santa Clara to pay that difference to the department. By increasing the amount transferred into continuously appropriated funds, this bill would make an appropriation.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. (a) The Director of General Services may modify
2 the existing terms and conditions, including, but not limited to,
3 the existing purchase and sale agreement, as amended, the grant
4 deed, and any other applicable transaction documents, of the
5 transfer to the Housing Authority of the City of Santa Clara of an
6 approximately six-acre parcel of real property within the City of
7 Santa Clara, Assessor's Parcel Number 303-17-053, for the
8 purposes set forth in subdivision (b). The director is authorized to
9 make any modifications pursuant to this subdivision on terms and
10 conditions and subject to any reservations and exceptions that the
11 director determines are in the best interests of the state.

1 (b) (1) The property described in subdivision (a) may be used
2 for a residential development including both residential units that
3 are affordable to persons of extremely low, very low, or low or
4 moderate income and residential units at market rate. As a result
5 of any ~~property~~ *proposed* modification to the original entitlements,
6 the Department of General Services shall determine the difference
7 between the actual price paid by the local agency for the property
8 and the fair market value of the property, which shall be paid by
9 the Housing Authority of the City of Santa Clara to the department.

10 (2) The City of Santa Clara may, subject to the consent of the
11 other parties to the agreement, amend the development agreement
12 applicable to the property described in subdivision (a) in order to
13 remove that property from the agreement.

14 ~~(e) Any action by the Department of General Services or any~~
15 ~~other state agency necessary to implement this act is exempt from~~
16 ~~Chapter 3 (commencing with Section 21100) to Chapter 6~~
17 ~~(commencing with Section 21165), inclusive, of Division 13 of~~
18 ~~the Public Resources Code, as permitted by paragraph (2) of~~
19 ~~subdivision (k) of Section 11011 of the Government Code.~~
20 ~~However, the City of Santa Clara, the Housing Authority of the~~
21 ~~City of Santa Clara, and any subsequent purchaser or transferee~~
22 ~~of the property described in subdivision (a) shall be subject to any~~
23 ~~local government land use entitlement approval requirements and~~
24 ~~to Chapter 3 (commencing with Section 21100) to Chapter 6~~
25 ~~(commencing with Section 21165), inclusive, of Division 13 of~~
26 ~~the Public Resources Code.~~

27 SEC. 2. As a condition of modifying the terms and conditions
28 as provided in subdivision (a) of Section 1 of this act, the City of
29 Santa Clara shall indemnify, defend, and hold harmless the state
30 from any and all claims, damages, or liabilities arising out of, in
31 connection with, or directly or indirectly resulting from the exercise
32 of the rights authorized by this act by the City of Santa Clara, the
33 Housing Authority of the City of Santa Clara, and any subsequent
34 purchaser or transferee. In any action arising out of, in connection
35 with, or directly or indirectly resulting from the exercise of these
36 rights, the state shall select counsel to defend the state.