

AMENDED IN SENATE MARCH 26, 2025

**SENATE BILL**

**No. 828**

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**Introduced by Senator Cabaldon**

February 21, 2025

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An act to amend ~~Section 65302~~ Sections 52200.6, 52201, and 54226 of the Government Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 828, as amended, Cabaldon. ~~Planning and Zoning Law: general plan: land use element.~~ *Land use: economic development: surplus land.*

*Existing law authorizes a city, county, or city and county, with the approval of its legislative body by resolution after a public hearing, to acquire, sell, or lease property in furtherance of the creation of an economic opportunity, as defined. Existing law provides that this authorization is an alternative to any other authority granted by law to cities to dispose of city-owned property.*

*This bill would revise those provisions to authorize a city, county, or city and county to, in addition to a sale or lease of property, otherwise transfer property under the above-described provisions to create an economic opportunity and would make related, conforming changes to these procedures. The bill would require the city, county, or city and county, to submit a report containing specified information to the Controller within 90 days after adopting the resolution approving the acquisition, sale, lease, or transfer of the property. The bill would also specify that these provisions are an alternative to any other authority or procedures for a city, county, or city and county to acquire, sell, lease, or otherwise transfer real property owned by a city, county, or city and county.*

*On and after January 1, 2014, existing law generally requires a local agency, before approving an economic development subsidy within its jurisdiction, to provide specified information in written form to the public and through its internet website, and to hold public hearings and report on those subsidies at specified intervals. Existing law requires that the creation of an economic opportunity, as described above, comply with these public notice, hearing, and reporting requirements.*

*This bill would provide that the creation of an economic opportunity under these provisions is subject only to the above-described requirements regarding approval of an economic development subsidy.*

*Existing law prescribes requirements for the disposal of surplus land by a local agency, including requiring that the local agency send a written notice of availability of the property to specified entities before disposing of that property or participating in negotiations to dispose of that property with a prospective transferee and, upon receipt of a notice of interest from an entity desiring to purchase or lease the surplus land, enter into good faith negotiations with that entity to determine a mutually satisfactory sales price and terms or lease terms, as provided. Existing law exempts from these procedures various types of surplus land, referred to as exempt surplus land.*

*This bill would additionally exempt from these requirements the disposal of surplus land by a local agency properties that a local agency proposes to sell, lease, or otherwise transfer under the above-described provisions authorizing the transfer of land in furtherance of the creation of an economic opportunity.*

~~The Planning and Zoning Law requires each county and city to adopt a comprehensive, long-term general plan for its physical development, and the development of certain lands outside its boundaries, that includes, among other mandatory elements, a land use element that designates the proposed general distribution and general location and extent of the uses of the land for housing, business, industry, and other categories of public and private uses of land, as prescribed.~~

~~This bill would make nonsubstantive changes to the provision describing the required land use element.~~

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

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

1     *SECTION 1. Section 52200.6 of the Government Code is*  
2     *amended to read:*

3     52200.6. (a) (1) This part shall not be interpreted to authorize  
4     the use of eminent domain for economic development purposes.

5     (2) For the purposes of this part, a city, county, or city and  
6     county shall not sell, lease, or otherwise transfer, at a price that is  
7     less than the fair market value, any real property that was acquired  
8     through eminent domain. This prohibition shall not apply to either  
9     of the following:

10    (A) Any real property governed by a long-range property  
11    management plan pursuant to Section 34191.5 of the Health and  
12    Safety Code.

13    (B) Any housing asset transferred to a city, county, or city and  
14    county pursuant to paragraph (1) of subdivision (a) of Section  
15    34176 of the Health and Safety Code or subdivision (c) of Section  
16    34181 of the Health and Safety Code, provided that the successor  
17    agency or the designated local authority in the affected jurisdiction  
18    has received a finding of completion from the Department of  
19    Finance pursuant to Section 34179.7 of the Health and Safety  
20    Code.

21    (b) The creation of an economic opportunity pursuant to this  
22    part shall be subject *only* to the provisions of Section 53083.

23    (c) The provisions of this part shall be an alternative to any  
24    authority of a city, county, or city and county to create an economic  
25    opportunity or to acquire, sell, or lease property for economic  
26    development, found in the Constitution, state law, local ordinance,  
27    or charter. This part does not limit, or in any way affect, the  
28    application of any other such laws.

29    *SEC. 2. Section 52201 of the Government Code is amended to*  
30    *read:*

31    52201. (a) (1) A city, county, or city and county may acquire  
32    property in furtherance of the creation of an economic opportunity.  
33    A city, county, or city and county may ~~sell or lease~~ *sell, lease, or*  
34    ~~otherwise transfer~~ property to create an economic opportunity.  
35    The acquisition, sale, ~~or lease~~ *lease, or transfer* shall first be  
36    approved by the legislative body by resolution after a public  
37    hearing. Notice of the time and place of the hearing shall be  
38    published in a newspaper of general circulation in the community

1 at least once per week for at least two successive weeks, as  
2 specified in Section 6066, prior to the hearing.

3 (2) The city, county, or city and county shall make available,  
4 for public inspection and copying at a cost not to exceed the cost  
5 of duplication, a report no later than the time of publication of the  
6 first notice of the hearing mandated by this section. This report  
7 shall contain both of the following:

8 (A) A copy of the proposed acquisition, sale, ~~or lease~~ *lease, or*  
9 *transfer*.

10 (B) A summary that describes and specifies all of the following:

11 (i) The cost of the agreement to the city, county, or city and  
12 county, including land acquisition costs, clearance costs, relocation  
13 costs, the costs of any improvements to be provided by the city,  
14 county, or city and county, plus the expected interest on any loans  
15 or bonds to finance the agreements.

16 (ii) For the ~~sale or lease~~ *sale, lease, or transfer* of property, the  
17 estimated value of the interest to be conveyed or leased, determined  
18 at the highest and best uses permitted under the general plan or  
19 zoning.

20 (iii) For the ~~sale or lease~~ *sale, lease, or transfer* of property, the  
21 estimated value of the interest to be conveyed or leased, determined  
22 at the use and with the conditions, covenants, and development  
23 costs required by the ~~sale or lease~~ *sale, lease, or transfer*. The  
24 purchase price or present value of the lease payments which the  
25 lessor will be required to make during the term of the lease. If the  
26 sale price or total rental amount is less than the fair market value  
27 of the interest to be conveyed or leased, determined at the highest  
28 and best use, then the city, county, or city and county shall provide  
29 as part of the summary an explanation of the reasons for the  
30 difference.

31 (iv) An explanation of why the acquisition, sale, ~~or lease~~ *lease,*  
32 *or transfer* of the property will assist in the creation of economic  
33 opportunity, with reference to all supporting facts and materials  
34 relied upon in making this explanation.

35 (b) The resolution approving the acquisition, sale, ~~or lease~~ *lease,*  
36 *or transfer* shall be adopted by a majority vote unless the legislative  
37 body has provided by ordinance for a two-thirds vote for that  
38 purpose and shall contain a finding that the acquisition, sale, ~~or~~  
39 ~~lease~~ *lease, or transfer* of the property will assist in the creation  
40 of economic opportunity. For the ~~sale or lease~~ *sale, lease, or*

1 *transfer* of property, the resolution shall also contain one of the  
2 following findings:

3 (1) The consideration is not less than the fair market value at  
4 its highest and best use.

5 (2) The consideration is not less than the fair reuse value at the  
6 use and with the covenants and conditions and development costs  
7 authorized by the ~~sale or lease~~. *sale, lease, or transfer*.

8 (c) *Within 90 days after adopting the resolution approving the*  
9 *acquisition, sale, lease, or transfer of the property, the city, county,*  
10 *or city and county shall submit a report to the Controller. This*  
11 *report shall contain the property's address, assessor's parcel*  
12 *number, and a description of the transaction and the planned future*  
13 *use of the property, including the developments that will assist in*  
14 *the creation of economic opportunity, housing, or affordable*  
15 *housing.*

16 (e)

17 (d) The provisions of this section are an alternative to any other  
18 *procedures required by law or authority granted by law to cities*  
19 ~~*to dispose of city-owned property: a city, county, or city and*~~  
20 *county, to sell, lease, or otherwise transfer property owned by a*  
21 *city, county, or city and county.*

22 SEC. 3. *Section 54226 of the Government Code is amended to*  
23 *read:*

24 54226. (a) This article shall not be interpreted to limit the  
25 power of any local agency to sell or lease surplus land at fair market  
26 value or at less than fair market value, and any sale or lease at or  
27 less than fair market value consistent with this article shall not be  
28 construed as inconsistent with an agency's purpose.

29 (b) This article shall not prevent a local agency from obtaining  
30 fair market value for the disposition of surplus land consistent with  
31 this section.

32 (c) This article shall not be interpreted to limit a local agency's  
33 authority or discretion to approve land use, zoning, or entitlement  
34 decisions in connection with the surplus land.

35 (d) This article shall not be interpreted to require a local agency  
36 to dispose of land that is determined to be surplus.

37 (e) *This article shall not apply to properties that a local agency*  
38 *proposes to sell, lease, or otherwise transfer pursuant to Part 4*  
39 *(commencing with Section 52200) of Division 1.*

40 (e) ~~No provision of this~~

1     (f) ~~This article shall be applied~~ *not apply* when it conflicts with  
2     any other provision of statutory law.  
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**All matter omitted in this version of the bill  
appears in the bill as introduced in the  
Senate, February 21, 2025. (JR11)**