

CONCURRENCE IN SENATE AMENDMENTS

AB 3061 (Gloria)

As Amended August 24, 2018

Majority vote

ASSEMBLY:

SENATE:

Original Committee Reference: **B. & P.**

SUMMARY: Authorizes the California Department of Transportation (Caltrans) to lease at a discount a specific parcel to the City of San Diego for an emergency shelter or a feeding program under specific terms and conditions.

The Senate amendments delete the Assembly version of the bill and instead:

- 1) Authorize Caltrans to lease for \$1 per month the real property located at 4747 Pacific Highway to the City of San Diego, or a political subdivision of the city, for an emergency shelter or a feeding program.
- 2) Declare that a lease let under this authority serves a public purpose.
- 3) Require Caltrans to include in a lease let under this authority an administrative fee not to exceed \$500 per year unless Caltrans determines a higher fee is necessary.
- 4) Authorize the lessee to pay the lease amount in advance in order to reduce the administrative costs associated with the payment of a monthly rental fee.
- 5) Make other technical, non-substantive changes.

EXISTING LAW:

- 1) Grants Caltrans broad authority to acquire by eminent domain any property necessary for state highway purposes.
- 2) Authorizes Caltrans to lease to public agencies or private entities the use of areas above or below state highways. Generally, leases to private entities have to be made on the basis of competitive bids and at fair market value.
- 3) Authorizes Caltrans to make land or airspace available, with or without charge, to a public entity to accommodate needed passenger, commuter, or high-speed rail, magnetic levitation systems, and highway and non-highway mass transit facilities.
- 4) Authorizes Caltrans to lease to San Francisco, or a political subdivision, any airspace under a freeway or property for an emergency shelter or feeding program at a rate of \$1 per month.
- 5) Authorizes Caltrans to lease to San Joaquin County, Santa Barbara County, or a political subdivision of either, airspace under specified freeways for an emergency shelter or feeding program at a rate of \$1 per month.

AS PASSED BY THE ASSEMBLY, this bill required owners of massage establishments to register with, and provide certain information to, the county clerk in the county in which the

massage establishment operates or is based; requires a county clerk, if it revokes a massage establishment owner's registration, to notify the California Massage Therapy Council.

FISCAL EFFECT: According to the Senate Appropriations Committee, annual loss of approximately \$85,000 in lease revenues. These losses represent a General Fund impact because Caltrans airspace lease revenues are currently used to partially offset General Fund payments for transportation-related debt service.

COMMENTS: The authority for Caltrans to enter into airspace leases is in existing law, but Caltrans is generally obligated to secure fair market value lease rates for airspace under freeways or other available parcels, based on the estimated highest and best use of the property. Notable exceptions to the fair market value requirement authorizes Caltrans to lease unused parcels of land below market rates to various cities and counties for the purposes of emergency shelters and feeding programs. In each of these exceptions, the Legislature has found that submarket rate leases for these particular uses serves a public purpose.

According to the author, "San Diego has the fourth largest homeless population in the country, with over 9,100 homeless men, women and children on any given night. With one of the lowest rental vacancy rates in the country and long waiting lists for subsidized housing, homelessness is a reality for an increasing number of San Diegans. By providing an opportunity to lease this parcel for \$1, AB 3061 would help the city address a growing homeless population through permanent supportive housing."

The author notes that according to the U.S. Department of Housing and Urban Development, over the five-year period from 2013 to 2017, the number of unsheltered people in San Diego grew 23%. Father Joe's Villages in San Diego is a non-profit organization that has been assisting San Diego's homeless since 1950. This non-profit has been working with the City of San Diego and Caltrans (the property owner) to take over the lease currently held by EZ 8 motel to convert the location to a homeless and veterans permanent supportive housing facility. The provisions specified in this bill will allow Father Joe's to take over the lease at an affordable rate and provide 127 units of shelter for San Diego's homeless community.

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FN: