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Assembly
California Legislature


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ON ARTS

May 25, 2021

The Honorable Rudy Salas, Chair
Joint Legislative Audit Committee
The State Capitol, Room 107
Sacramento, CA 95814

Received
05/25/2021

Re: Assemblywoman Quirk-Silva State Audit Request on State Surplus Properties

Dear Chair Salas,

I am requesting the Joint Legislative Audit Committee support a fiscal and programmatic audit on the State's surplus properties, focused on the Department of General Services (DGS) who is primarily responsible for disposing of the State's surplus properties. We also recommend the following departments who are also responsible for identifying and reporting excess properties be reviewed as part of this audit: California Department of Transportation, Department of Housing and Community Development and the Department of Developmental Services. We ask that there be a special focus on the properties located within the counties of San Francisco, Sacramento, Fresno, Los Angeles, Orange and San Diego where we have seen a significant increase in the number of homeless.

Background

According to the Department of General Service's website, the State owns a little more than 6.9 million acres in real property. From the information that is provided on DGS's website it is unclear how many properties may be considered surplus properties. It is also unclear if a property is underused, unused and where that property is in the process of transfer, disposal or sale.

In 2019, Governor Newsom issued Executive Order N-06-19 (EO N-06-19); in which he ordered the Department of General Services and the Department of Housing and Community Development and the California Housing Finance Agency to identify and prioritize State surplus properties for cost effective housing developments. While the departments were able to identify over 44,000 parcels, only a few of the parcels were deemed suitable for housing and it is unclear what the plans are for many of them.

Prior to the pandemic our state was facing the worst housing shortage with a growing homeless population and in the past year these issues have only gotten worse, as result of many Californians losing their jobs and becoming housing insecure. Currently more than 151,000 Californians are experiencing homelessness and over 27% of California's homeless population is chronically homeless. Many of these individuals also suffer from severe mental illness and substance use disorders. Therefore, it is critical that the State identify and sell surplus properties to pursue sustainable, innovative and cost-effective housing projects.

Request and Scope of the Audit

I respectfully request the Joint Legislative Audit Committee approve an audit of the following state departments: DGS, Caltrans, DDS, HCD's processes for disposing, transferring and selling of state surplus properties focused on areas of our state where we have seen the greatest increase in homelessness including: San Francisco, Sacramento, Fresno, Los Angeles and San Diego counties. The audit should address the following questions:

- 1) Of the 44,000 parcels that were identified as surplus properties in response to EO N-06-19, only a few were deemed suitable for housing. It is not clear what processes will be followed at the identified properties in order to meet the housing goals. What is the next step in carrying out EO N-06-19?
- 2) Are there additional properties available throughout the State that can help meet our housing goals or is 44,000 it?
- 3) What processes do the departments have in place to engage with local governments and affordable housing organizations in the different areas of the State?
- 4) How will the departments ensure there's transparency with these processes?
- 5) How will the departments ensure that local governments meet the intended goal of developing affordable housing in order to meet the State's needs?
- 6) Which department or agency is responsible for overseeing the plans of these identified properties for the development of affordable housing?
- 7) How many of the identified properties have active plans?
- 8) For the properties that do not currently have an active plan, what is the reason or roadblocks they have run into?
- 9) Based on these identified properties, what is the process and timeline a department follows to identify a property to transfer, dispose or sell?
- 10) Who are the stakeholders that are involved in the process of transferring, disposing or selling a property?

Thank you for your consideration of this request. If you have any questions about this request, please do not hesitate to contact me.

Sincerely,



SHARON QUIRK-SILVA
65th Assembly District