POLICY BRIEF · CALIFORNIA HOUSING & LAND

Advancing Public Land for Affordable Housing

What California's public-land inventories count — and the developable supply they obscure

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California has placed public land at the center of its affordable-housing strategy, standing up two statewide inventories: excess state-owned sites under Executive Order N-06-19, and locally owned surplus and excess land under the Surplus Land Act (AB 1486 and AB 1255). This analysis interrogates both inventories parcel by parcel — recalculating acreage from boundaries, consolidating fragments, and overlaying the state's own opportunity maps. The finding is not that public land is scarce. It is that the inventories misstate it in *both directions at once*: they understate how much land could be brought forward, while overstating how much of the listed land is actually developable today.

KEY FINDINGS

- **The "priority" list is a thin slice — and much of it is not actionable.** The state screened roughly 44,000 parcels down to 121 priority sites; after removing legally encumbered, hazard-zone, and already-awarded land and consolidating fragments, fewer than two dozen are realistically developable.
- **The single largest owner cannot participate.** Caltrans holds 44% of the state's priority sites and two-thirds of those in high-resource areas, but a constitutional gas-tax restriction bars it from leasing the land for housing. No awarded project sits on Caltrans land.
- **Fair-housing goals collide with feasibility.** High-resource sites are systematically smaller — a 0.39-acre median against 1.68 acres elsewhere — so the parcels best positioned to advance fair-housing objectives are the least able to pencil under a LIHTC multifamily model.
- **The local inventory lists availability it cannot vouch for.** The 2,115-site Surplus Land Act inventory is unscreened (parcels run from 0.001 to 1,985 acres) and mixes land exclusively available to affordable developers with land already sold for other uses — so its headline count is not a measure of opportunity.
- **The pathway that delivers the most housing is invisible.** In practice, far more deed-restricted affordable units move through the lighter-touch *exempt-surplus* pathway than the procedurally heavy standard route — yet exempt dispositions are absent from the inventories, so the data under-counts the policy's biggest success.

WHAT IT MEANS FOR PRACTICE

1. **Treat the inventories as leads, not supply.** A defensible pipeline requires re-screening listed parcels for geometry, encumbrance, hazard, and current status before they inform feasibility or RHNA assumptions.
2. **Match typology to the parcel, not the reverse.** Small high-resource sites argue for non-LIHTC models — limited-equity ownership, modular infill, missing-middle — and for predevelopment capital that makes assembly and due diligence viable.
3. **Fix the measurement before scaling the program.** Capturing exempt-surplus activity and activating site-status fields would show the state where the policy is actually working — the prerequisite to directing capital and technical assistance well.

Full analysis follows — context, methodology, findings, and recommendations.

01 The policy bet on public land

Where to build affordable housing has become as binding a constraint as how to finance it. Land acquisition can absorb 15–35% of total development cost, and the parcels that score best for tax credits — near transit, jobs, and good schools — are exactly where land is most expensive and most contested. Public land offers a way out of that bind: a public landowner can lease or convey at below-market cost, retain long-term affordability through the ground lease, and, on state property, sidestep local zoning and entitlement friction altogether.

In 2019 California acted on that logic at both levels of government. Executive Order N-06-19 directed the Department of General Services (DGS) and the Department of Housing and Community Development (HCD) to identify excess state-owned property, screen it for residential suitability, and offer it to developers on low-cost long-term ground leases. In parallel, amendments to the 1968 Surplus Land Act — AB 1486 (Ting) and AB 1255 (Rivas) — strengthened the requirement that local agencies offer surplus land to affordable developers first, and directed the creation of a statewide inventory of locally owned surplus and excess sites.

Both efforts produced the same artifact: a public, GIS-based inventory intended to let developers, agencies, and the public see what land is available and where. That artifact is the right object of study. An inventory is not a passive list — it is meant to function as *market infrastructure*, matching public landowners to mission-driven developers by lowering the cost of finding, evaluating, and transacting on a site. Judged that way, the question is not whether California owns developable land. It is whether these inventories actually move land into affordable production — and whether what they show can be trusted to support a feasibility decision.

> THE ANALYTICAL FRAME
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> This report reads each inventory as a market-making tool and tests it against a single standard: does it convey a true, transactable picture of developable supply? The recurring failure is one of **measurement**. Each inventory simultaneously understates the land that could be activated and overstates the land it lists as available — so its headline numbers cannot carry the policy weight placed on them.

02 What “available” has to mean

A site is not supply simply because a public agency owns it and no longer needs it. For a parcel to support affordable housing, it must clear a stack of conditions that the inventories were built to surface but only partly capture.

Suitability is a stack, not a flag

Developers evaluate a site against physical condition (shape, grade, environmental status), scale (HCD’s site-inventory guidance treats roughly 0.5–10 acres as realistic for lower-income housing, at densities around 50 units per acre), zoning posture, demonstrated government support, timeline, and financing competitiveness. The last of these is decisive: under the Tax Credit Allocation Committee (TCAC) scoring, a site’s neighborhood — its access to transit, jobs, and schools — directly determines how many points a project earns, and therefore whether it is funded at all. Site selection is, in effect, a financing decision made years before closing.

The fair-housing overlay

Since 2019, California has tied funding incentives to locating family housing in "high" and "highest" resource areas, the spatial expression of its Affirmatively Furthering Fair Housing (AFFH) obligations. To test whether public land can serve that goal, both inventories in this analysis are overlaid with the 2024 TCAC/HCD Opportunity Area Maps, which classify every census tract into resource categories built from economic, educational, and environmental indicators. The overlay turns a question of land into a question of *where* that land sits — and whether the highest-opportunity parcels are also the ones that can realistically be built.

03 Data and method

The analysis works directly from the two inventories the state publishes, rebuilt to a common analytical standard so they can be compared and trusted.

Sources. The state-owned dataset is the DGS inventory of excess state property assembled under Executive Order N-06-19 (121 priority sites screened from roughly 44,000 state parcels). The local dataset is the DGS/HCD statewide inventory of locally owned surplus and excess land compiled under AB 1255 (2,115 sites). Both were retrieved from the state's published ArcGIS maps. Both inventories were overlaid with the 2024 TCAC/HCD Opportunity Area Maps.

Acreage rebuilt from boundaries. Stated acreage in both inventories proved unreliable, so parcel areas were recalculated in GIS from parcel geometry. This matters: site area governs both the unit count a parcel can hold and whether it is financially viable at all, and the published figures were not a sound basis for either.

Consolidation logic. Many listed "sites" are small, contiguous parcels under common ownership that would be developed as one. Adjacent same-owner parcels sharing a boundary were merged into single developable units, so the count reflects projects rather than parcel records — the distinction the inventories blur.

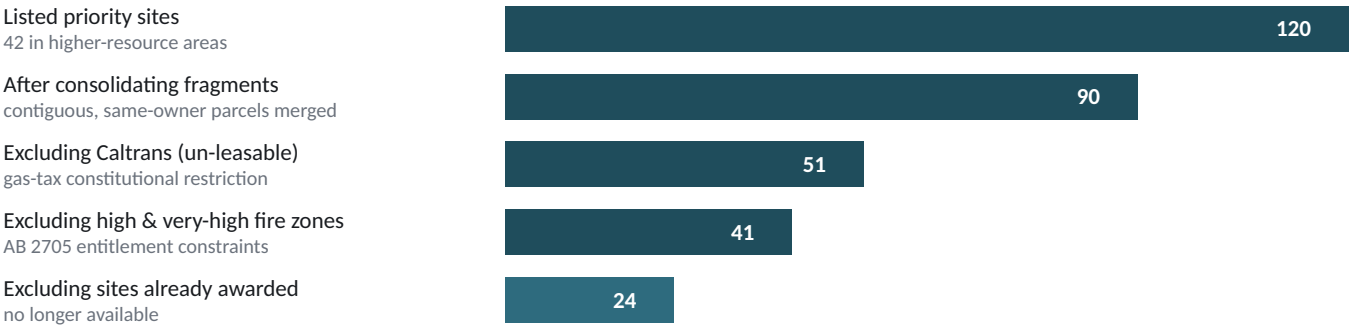
Scope and limits. The local inventory reflects only the 35 of California's 58 counties that reported, and neither dataset is screened to the same standard, so cross-inventory totals are directional. Most directly comparable, the analysis converges on a single conclusion the published counts do not support on their own: the gap between *listed* and *developable* is large, systematic, and patterned.

04 Executive Order N-06-19: the list that shrinks under scrutiny

Executive Order N-06-19 is a disciplined instrument: it screens listed land for residential suitability and has produced real, occupied awards (19 projects offered on long-term ground lease by March 2022, roughly 1,700 units). But the screen is calibrated wrongly in both directions: it surfaces too few sites from the universe, and over-counts the developability of the sites it does surface.

The developability funnel

Taking the 120 analyzable priority sites and applying each binding constraint in turn shows how little of the headline list is actionable today. Consolidation removes parcel-record duplication; Caltrans ownership removes land that cannot legally be leased (below); fire-hazard zoning removes land that cannot be entitled without costly mitigation; and already-awarded sites are no longer available.



Source: Statewide Affordable Housing Opportunity Sites (DGS); TCAC/HCD Opportunity Maps, 2024. Higher-resource sites fall from 42 to 6 across the same sequence.

The published inventory presents 120 priority sites. Sizing a pipeline directly from that number risks overstating the realistically developable opportunity by roughly fivefold: about two dozen sites are developable today, and just six sit in higher-resource areas.

The largest owner is the least usable

Caltrans owns 44% of all priority sites, two-thirds of the higher-resource sites, and 60% of the higher-resource land area — and essentially none of it can be used. Because Caltrans parcels were bought with Gas Tax funds, a long-standing constitutional restriction confines them to transportation use or sale at fair market value; they cannot be leased to an affordable developer under the executive order. The evidence is in the awards themselves: not one awarded project sits on Caltrans land. An inventory whose single largest category is also its least actionable is not a data error to be footnoted — it is a governance signal that the binding constraint is statutory, not spatial.

Where fair housing and feasibility diverge

The screen does favor higher-resource areas, yet only about a third of priority sites land there — and those sites are markedly smaller than the rest. They account for roughly 35% of sites but only 11.5% of land area.

THE HIGH-RESOURCE SIZE PENALTY — EXCESS STATE-OWNED SITES

Measure	Higher-resource sites	Lower-resource sites
Median parcel size	**0.39 acres**	1.68 acres
Average parcel size	2.33 acres	10.03 acres
Share of sites	~35%	~65%
Share of total land area	**11.5%**	88.5%

Source: DGS inventory, acreage recalculated from parcel boundaries; TCAC/HCD Opportunity Maps, 2024.

This is the structural tension at the heart of the program. The places where public land would do the most fair-housing work are precisely where the parcels are smallest, and small high-resource sites are the hardest to make pencil under a multifamily LIHTC model. Public land does not dissolve the cost barrier in high-opportunity neighborhoods — it *relocates* it from acquisition into feasibility. The implication runs ahead to the recommendations: in these areas the answer is a different building type, not simply a different parcel.

05 The Surplus Land Act inventory: volume without legibility

Where the state inventory over-screens, the local inventory barely screens at all. AB 1255 produced a statewide list of 2,115 locally owned surplus and excess sites, but unlike the executive order it applies no test for residential suitability — and it does not distinguish land that is still exclusively available to affordable developers from land that has already moved on.

2,115	0.001–1,985	~27%	75%
sites listed across 35 of 58 counties	parcel size range, in acres (median 0.29)	of sites in higher-resource areas	of higher-resource sites are vacant

Three statuses in one list

Because the inventory is unscreened, parcels range from a single parking space to a 1,985-acre university holding, with a median of 0.29 acres — a vast pool of fragments alongside a handful of outliers that distort every regional total. More consequentially, the list folds together three different things: *surplus* land still subject to the affordable-housing right of first refusal; *exempt surplus* land that may be sold on the open market; and *excess* land not yet even declared surplus. Spot checks confirm the inventory carries archived, available, and not-yet-available sites side by side, with no field to tell them apart. A user cannot distinguish a site they can pursue from one already sold. As market infrastructure, the inventory fails the one job that matters: it does not convey what is transactable.

When process becomes a formality

The vacancy pattern repeats the state-level scissors — three-quarters of higher-resource sites are vacant, but they hold only about a third of higher-resource land area, so the "easy" sites are again the small ones. The deeper problem is behavioral, and one case makes it concrete. In Coachella (Riverside County), a 37.3-acre assemblage of 155 vacant residential lots was offered under a single Notice of Availability. Four affordable-housing entities expressed interest during the notice period; after good-faith negotiation none transacted, and in 2021 the land was sold to a national homebuilder for market-rate single-family housing. The statutory process ran its course and produced the opposite of its purpose.

> **WHAT THE CASE REVEALS**
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> The Surplus Land Act process can be satisfied to the letter while delivering none of its intent. A Notice of Availability that carries too little information to actually attract a developer becomes a compliance ritual, not a transaction — and an agency that prefers a market sale can run the clock in form while negotiating in bad faith. The standard route is, at once, too heavy for committed actors and too weak to bind reluctant ones.

06 Four reframings

Read together, the two analyses do more than catalog data problems. They reframe what the public-land program is actually constrained by — and where the leverage sits.

1 · The headline count is not a measure of supply

Both inventories mislead in two directions at once. They *understate* the universe — 121 sites from 44,000 parcels, with no schedule to re-inventory — while *overstating* developability by counting fragments, encumbered land, hazard zones, and already-disposed parcels as if available. A single number cannot be both too low and too high unless it is measuring the wrong thing. The right object is not parcel records but transactable, developable units.

2 · The AFFH–feasibility scissors

Across both inventories, higher-resource parcels are systematically smaller. Public land therefore cannot, by itself, deliver scale in high-opportunity neighborhoods; it moves the cost problem from acquisition to feasibility. A public-land strategy that ignores building type will under-deliver exactly where fair-housing goals are most demanding.

3 · The binding constraint is legal, not spatial

The Caltrans case generalizes. The largest blocks of public land sit behind statutory and constitutional restrictions — gas-tax provisions, fire-hazard entitlement limits, trust conditions — that no amount of mapping resolves. Treating the program as a land-identification problem when it is partly a legislative one misdirects effort toward inventories and away from the statutory fixes that would actually unlock the land.

4 · Judge the inventory as a market, not a database

The most useful lens is not data quality but market design. Do these tools reduce search costs, signal genuine availability, and convey enough to transact? On that test both fall short — and the test points directly at the fixes: status fields, suitability filters, and a single source of truth matter because they are what let a market clear.

07 The exempt-surplus inversion

One pattern ties the others together, and it surfaces only when the analysis moves past the inventories to how surplus land is actually disposed of: *the route that produces the most deed-restricted affordable housing is the one the data ignores.*

The Surplus Land Act offers a public agency two ways to dispose of land for housing. The **standard surplus route** requires declaring the land surplus, issuing a Notice of Availability, holding a 60-day window for affordable developers to respond, and conducting up to 90 days of good-faith negotiation before any disposition. The **exempt-surplus route** — specifically its affordable-housing exemption — skips the notice-and-negotiation sequence in exchange for a binding commitment: the project must restrict at least 25% of units to lower-income households.

Standard surplus route

- Declare surplus → issue Notice of Availability
- **60-day** window for affordable developers to respond
- **90-day** good-faith negotiation before disposition
- 15% affordable covenant attaches if it fails and the land is sold for other use (10+ units)
- **Visible** in the inventory (active / archived)
- Process-heavy, information-poor, and — as the Coachella case shows — gameable

Exempt-surplus route (affordable-housing exemption)

- Findings of exemption; far lighter documentation
- **No** Notice of Availability, 60-day, or 90-day sequence
- Conditioned on a real affordability floor: **≥25%** of units
- Can pair with transit-oriented and amenity benefits that help a deal pencil and compete for tax credits
- **Not captured** in the public inventories
- In practice, the dominant channel for deed-restricted units

The behavioral consequence is the inversion. A city genuinely committed to affordable housing can already meet the 25% threshold — so it takes the exempt route, securing speed and certainty without lowering its affordability ambition. A city that is *not* committed runs the standard process as a formality and disposes of the land for other uses. The heavier, "protective" route ends up sorting the actors backwards: it pushes the most committed agencies onto the lighter path and leaves the standard process to be used, sometimes in bad faith, by those least inclined to build housing.

The result is an inversion in the record. The exempt pathway, though lighter-touch, carries much of the Act's real affordable production — HCD's own dashboard reports the two routes separately and treats the affordable-housing exemption as a streamlined path to compliance — while the standard route, the one the inventory does track, captures comparatively little of it. Because exempt dispositions never enter the AB 1255 inventory, the public data records the policy's most productive channel as a blank, leaving the state to measure its program largely by its weaker route.

> **WHY THIS MATTERS FOR THE PROGRAM**
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> If the inventory cannot see where affordable housing is actually getting built, it cannot tell the state where its tools are working, which agencies are acting in good faith, or where to send capital and technical assistance. Capturing exempt-surplus activity is not a reporting nicety — it is the difference between managing the program by evidence and managing it by the part that happens to be visible.

08 Recommendations

The fixes fall into two families: make the inventories legible enough to function as markets, and make the listed land developable enough to be taken up. They are sequenced — measurement first, because capital and capacity are wasted when aimed at a distorted picture.

1

Activate site status, and bring the exempt pathway into the data

Add an availability-status field to both inventories — *available, in negotiation, archived, disposed* — so a user can tell a site they can pursue from one already sold, and require that exempt-surplus affordable dispositions be recorded alongside standard-route notices. HCD already receives exemption findings through the Surplus Land Act portal, so the underlying records exist; they are simply not surfaced on the public map. Until both changes are made, the inventory can neither tell a developer what is transactable today nor tell the state where the policy is actually producing housing. This is the lowest-cost, highest-leverage move in the set, and it should precede any expansion of the program.

2

Report developable units, not parcel records

Before a parcel is counted, merge contiguous same-owner parcels into single development sites, recalculate acreage from boundaries, and tag each site with its binding constraints — legal encumbrance, hazard-zone status, and minimum-size feasibility. DGS already controls screening, inventory, and RFP issuance for state land, so it can consolidate at the screening step at negligible marginal cost and carry sub-parcel detail in a notes field rather than as separate "sites." The payoff is a count that means what it says: an agency setting RHNA assumptions or a developer sizing a pipeline would work from realistic supply rather than a fivefold overstatement, and the inventory would stop generating expectations it cannot meet.

3

Add a lightweight suitability filter to the locally owned inventory

A screen as rigorous as the executive order's is costly and demands coordination with every reporting jurisdiction, but a far simpler filter captures most of the value: flag parcels by size and shape against HCD's own feasibility thresholds, and tag those already carried in adopted housing elements — data that AB 1255 reporting already routes through the annual progress report. Pair this with consolidating the separate Surplus Land Act maps (AB 1486's notice map and AB 1255's inventory) into a single source of truth that distinguishes land exclusively available to affordable developers from land merely encouraged for it. Together these turn an undifferentiated list of 2,115 parcels into a navigable set of genuine leads.

4

Build a deliberate small-site, non-LIHTC typology strategy

Because high-resource public land is systematically small, the conventional LIHTC multifamily model will leave exactly the highest-opportunity parcels undeveloped. The state should pair these sites with models that pencil at sub-acre scale and need less gap financing — limited-equity homeownership and community land trusts, modular and panelized infill, missing-middle formats, and partnerships with Habitat-style or naturally-affordable builders whose cost structures suit small lots. HCD can stand up a dedicated small-sites disposition track, offer local agencies technical assistance on these typologies, and prove viability through a handful of pilot conveyances. This is the operational answer to the fair-housing–feasibility tension: it is how public land advances AFFH goals in built units rather than in mapped intentions.

5

Fund predevelopment — and the staff the program quietly assumes

Two capacity gaps throttle uptake. Large or complex parcels stall for want of early-stage capital for environmental review, infrastructure assessment, and master planning; extending matching predevelopment grants — on the model of the Excess Sites Local Government Matching Grants program — to locally owned land would move these sites toward RFP-readiness. At the same time, the executive order added a substantial property-management and GIS workload to DGS and local agencies without resourcing it, a gap visible in both the sub-ten-sites-per-year award rate and the acreage errors this analysis had to correct by hand. A standing technical-assistance and data team at DGS, plus funded GIS and project staff at the local level, is the precondition for nearly every other recommendation here.

6

Pursue the statutory fixes that no map can reach

The largest holdings are locked by law, not geography. Resolving the constitutional gas-tax restriction on Caltrans land — whether by legislation or a narrow amendment recognizing infill housing near high-frequency transit as a qualifying use — would unlock more high-resource land than any inventory refinement, given that Caltrans holds two-thirds of the state's high-resource priority sites. In parallel, HCD should co-develop the inventory with regional bodies such as MTC and ABAG that already align land, transit, and funding through Sustainable Communities Strategies and Priority Development Area grants, rather than maintaining it in isolation from the agencies closest to the sites. These are the highest-ceiling moves in the set and the slowest to mature — which is precisely why they should begin now, in parallel with the faster data and capacity fixes above.

09 Conclusion

California's public-land program is built on sound logic and has produced real, occupied housing. Its limits are not a shortage of land but a set of measurement and design choices that obscure both the opportunity and the obstacles. The inventories under-count what could be activated and over-count what is ready, the highest-opportunity parcels are the least feasible at conventional scale, the biggest holdings are locked by statute, and the channel quietly delivering the most affordable housing is the one the data cannot see. Each of these is fixable — and each fix is cheaper than the misallocated capital and stalled pipelines that follow from acting on the numbers as published. The first move is the least glamorous and the most consequential: measure the program by what it is actually producing, then point land, capital, and capacity at where the evidence says they will work.

NOTES & SOURCES

Primary analysis adapted from Amba Gupta, *Advancing Public Lands for Affordable Housing Development*, professional report for the Master of City Planning, University of California, Berkeley (advisors: Prof. Ben Metcalf and Prof. Carolina Reid, Terner Center for Housing Innovation).

Datasets: Statewide Affordable Housing Opportunity Sites (DGS, Executive Order N-06-19); Local Government–Owned Excess/Surplus Sites (DGS, AB 1255); Notices of Available Locally-Owned Surplus Land (HCD, AB 1486); 2024 TCAC/HCD Opportunity Area Maps. Acreage independently recalculated from parcel geometry.

Surplus Land Act mechanics (Gov. Code §§ 54220–54234): standard disposition noticing and 60-/90-day sequence; the affordable-housing exemption's ≥25% lower-income requirement; and the 15% residual covenant on non-affordable dispositions of 10+ units, per HCD Surplus Land Act guidance and the HCD Surplus Land Act Dashboard, which reports the standard and exempt-surplus pathways separately and treats the affordable-housing exemption as a streamlined route to compliance. The relative weight of the two pathways is presented analytically, as an inference from these mechanics, not as a statewide tally.