

**Department of Developmental Services  
Proposed Trailer Bill Legislation**

**640—Fairview Developmental Center Campus Lease Extensions**

**Section 14670.35 of the Government Code is amended to read:**

(a) Notwithstanding Section 14670, the Director of General Services, with the consent of the State Department of Developmental Services, may let in the best interests of the state and at a price which will permit the development of affordable housing for persons eligible under this section, to any person, including but not limited to any corporation or partnership, real property not exceeding 60 acres located within the grounds of Fairview State Hospital, for the purpose of developing affordable housing, which may include manufactured housing, for the employees of Fairview State Hospital, and for a period not to exceed 55 years. The lease authorized by this section shall be nonassignable, except it may be assignable, subject to approval by the Department of General Services and the State Department of Developmental Services, to a partnership in which the lessee has an interest of not less than 50 percent or to an individual, corporation or partnership which has a net worth of at least three million dollars (\$3,000,000) and has experience substantially equal to that of the lessee in building, marketing, managing and leasing residences of the type to be built under the lease, and shall be subject to review every five years by the Director of General Services, to assure the state that the original purposes of the lease are being carried out.

In the event of default by the lessee under the terms of the lease, the state shall take all necessary steps to cure the default but in no event shall state general funds, except funds collected pursuant to Section 15863, be expended to operate the property.

The housing developed pursuant to this section shall be available for the employees of Fairview State Hospital and to provide transitional housing for patient-clients of Fairview State Hospital returning to the community; provided that the housing available for transitional housing for patient-clients shall not be in excess of 10 percent of the units developed. In the event that vacancies occur in the units which cannot be filled by either employees of Fairview State Hospital or transitional patient-clients, then the units may be made available to persons who are in need of affordable housing and whose incomes do not exceed 80 percent of the median income for Orange County as that income may be defined from time to time by the United States Department of Housing and Urban Development. Should any vacancies exist in excess of 60 days after lessee has conducted a marketing program in cooperation with the Orange County Housing Authority and approved by the State Department of Developmental Services, and during the 60 days the vacancies were made available to employees, transitional patient-clients and persons whose incomes do not exceed 80 percent of the median income for Orange County, then, upon approval by the State Department of Developmental Services, the vacant units may be made available to any persons employed in the City of Costa Mesa.

The Legislature finds and declares that the provision of decent and affordable housing for state employees and transitional patients, i.e. clients of state mental hospitals, is a public purpose of great statewide importance.

(b) Effective July 1, 2017, the Director of General Services, with the approval of the State Department of Developmental Services, shall amend the existing lease established pursuant to subsection (a) to include a portion of the Fairview Developmental Center property in the area of Mark Lane, for the purpose of developing additional housing units to serve individuals with developmental disabilities. The amendment shall provide that the additional acreage be subject to the existing lease conditions. The amendment shall require a management agreement between the Lessee and the State Department of Developmental Services be established including terms and conditions determined by the Director of the State Department of Developmental Services to be in the best interests of the state. The management agreement shall allow the State Department of Developmental Services to determine the type of housing units to be developed and whether housing is developed by renovation of existing units or construction of new units suitable for providing services to individuals with developmental disabilities. The management agreement shall also give the State Department of Developmental Services the first right of refusal for all housing established pursuant to this section on the subject acreage.

(c) The housing developed for employees of Fairview State Hospital or transitional patient-clients pursuant to paragraph (a) of this section shall first be available for individuals with developmental disabilities receiving services from a regional center pursuant to Division 4.5 of the Welfare and Institutions Code and then, to individuals in need of affordable housing as described in this section.