

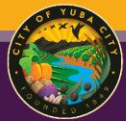


Declaration of Surplus Land and Exempt Surplus Land September 1, 2020



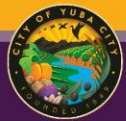
**Presentation By:
Diana Langley, Interim City Manager/Public Works Director**

Background

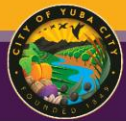


- Surplus Land Act (Act) governs the disposition of land owned by the City that is determined to be no longer necessary for the City's use
- In 2019, Governor Newsom signed into law AB 1486 which significantly expanded the procedural requirements under the Act
 - Intended to address California's shortage of affordable housing
 - Impacts existing practices, adds new reporting requirements, and subjects agencies to penalties for non-compliance
 - Penalty provisions effective January 1, 2021

Surplus Land



- Prior to any sale or lease of property, the City must formally declare land as either “surplus land” or “exempt surplus land” pursuant to a resolution and supported by written findings



Exempt Surplus Land

- Includes properties that are:
 - Less than 5,000 sq. ft. in area
 - Land that a local agency exchanges for another property necessary for the agency's use
 - Land transferred to another local, state, or federal agency
 - Land that is subject to recorded covenants that would make housing a prohibited use
- If land has been declared as exempt, the City need not comply with the procedural requirements

Procedural Requirements – Surplus Land



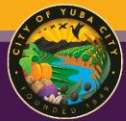
1. Issue Notice of Availability (NOA) to a “housing sponsor” for affordable housing development, school district (if land is suitable for school facilities), and the State Resources Agency (SRA)
2. Any responding entity must notify the City of its interest in purchasing or leasing the land within 60 days following receipt of the NOA
3. If price and terms cannot be agreed upon between the City and a Responding Entity within 90 days, the City may then go forward to sell or lease the surplus land to a third party
 - City will still have to provide HCD a description of the NOA sent and negotiations conducted with any Responding Entity

Procedural Requirements – Surplus Land



4. If no housing sponsors respond to the NOA or if negotiations terminate and the land is later sold or leased to a market rate developer who builds more than 10 residential units, 15% must be sold or rented at an affordable cost or rent to lower income individuals
5. HCD must review the process description and submit written findings within 30 days as to whether any process violations have occurred
 - If HCD does not respond within the 30-day time period, the City would not be subject to any penalties

Procedural Requirements – Surplus Land



6. Violations – Penalties between 30% and 50% of the final sale price of the property

HCD Website



Deputy Director
Department of Housing and Community Development Division of Housing Policy Development
2020 W. El Camino Avenue, Suite 500 Sacramento, CA 95833

[View list of notices received \(XLS\)](#) (Updated: 8/25/2020)

Map of Notices Received As of 8/7/2020:



2). If you are a developer interested in purchasing or leasing surplus local land for affordable housing development

Notify HCD of your interest in receiving notices about surplus local public land — Complete HCD's [Developer Interest - Local Agency Surplus Land survey](#).

[View list of developers \(XLS\)](#) that have notified HCD of their interest in surplus local public lands (Updated: 08/18/2020).

HCD has verified that the first four entities on this list have been certified by CalHFA as “housing sponsors” as defined by Health and Safety Code section 50074. (Gov’t Code § 54222(a)(1).) HCD has also verified that none of the entities on this list are currently in the process of being certified as “housing sponsors” by CalHFA.

Coming in 2021— Local Surplus/Excess Land Inventories

By April 1, 2021, every California city and county will be required to have a central inventory of surplus and excess land and must report to HCD on each parcel. HCD, in turn, will provide the information to DGS to include in a statewide inventory. This is in accordance with Assembly Bill 1255 (Robert Rivas, 2019).





Exempt Surplus Land

APN	Site Address	Acreage	Zoning	Notes
57-054-010	Dean Dr	0.04	R-1	
57-172-016	Oliver Dr	0.03	R-1	
58-041-019	Hwy 99	0.01	C-M	
59-540-020	Blevin Rd	0.01	R-1	
62-180-043	Butte House Rd	0.04	R-1	
20-030-105	George Washington Blvd	0.00		Outside City Limits
20-271-004	Del Amo Dr	0.01		
20-283-011	S George Washington Blvd	0.01		
23-422-004	Holcomb Ave	0.01		
23-430-018	Railroad Ave	0.02		

Surplus Land



APN	Site Address	Acreage	Zoning	Notes
51-516-007	Darrough Dr	0.26	R-1	
51-620-026	Clark Ave	1.58	R-1	
51-660-084	Clark Ave	0.19	R-1	
56-282-018	1234 Joseph St	0.82	R-1	
57-150-004	217 S Walton Ave	0.47	R-1	
57-150-050	211 S Walton Ave	1.00	C-O	
57-220-065	Walton Ave	0.11*	R-1	*Merge w/ 217 and/or 211 S. Walton Ave
61-060-015	2761 Quail Pointe Dr	0.21	R-1	
62-210-002	1488 Royo Ranchero Dr	0.16	R-1	
62-250-040	1480 Williamsburg Dr	0.36	R-1	
62-270-010	3059 Jefferson Ave	0.22	R-1	
22-171-007	1289 Creswell Dr	0.50		Outside City Limits

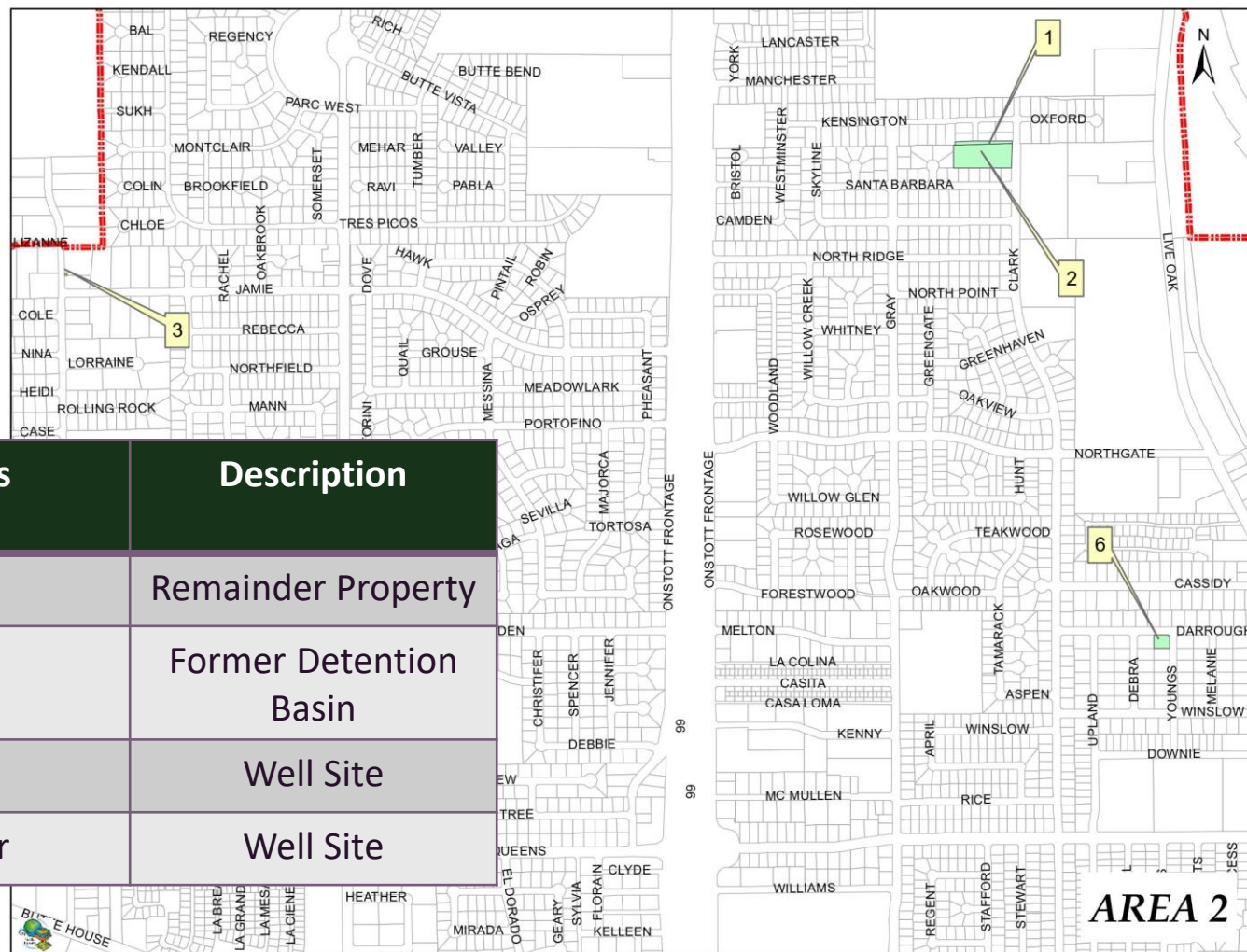
Maps

Map ID	Site Address	Description
4	2761 Quail Pointe Dr	Well Site
5	Butte House Rd	Well Site
7	1480 Williamsburg Dr	Well Site
8	1488 Royo Ranchero Dr	Well Site
9	3059 Jefferson Ave	Well Site



AREA 1

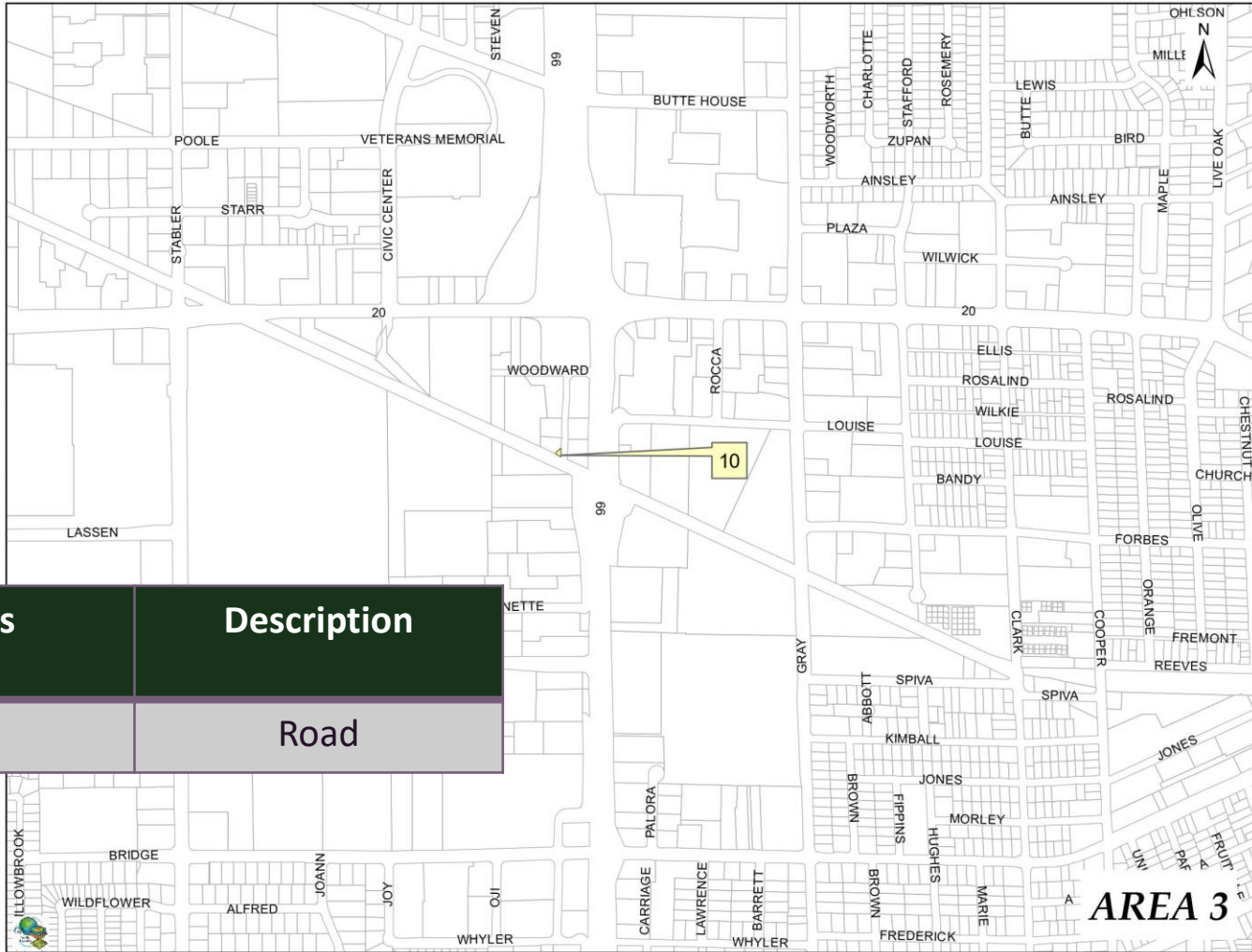
Maps



AREA 2

Maps

Map ID	Site Address	Description
10	Hwy 99	Road



Maps

Map ID	Site Address	Description
14	Oliver Dr	Well Site
15	211 S Walton Ave	Former FS #4
16	S Walton Ave	Sliver Parcel between 211 & 217
17	217 S Walton Ave	Former Residential Site
18	Dean Dr	Well Site
19	1234 Joseph St	Well Site
20	1289 Creswell Dr	Well Site



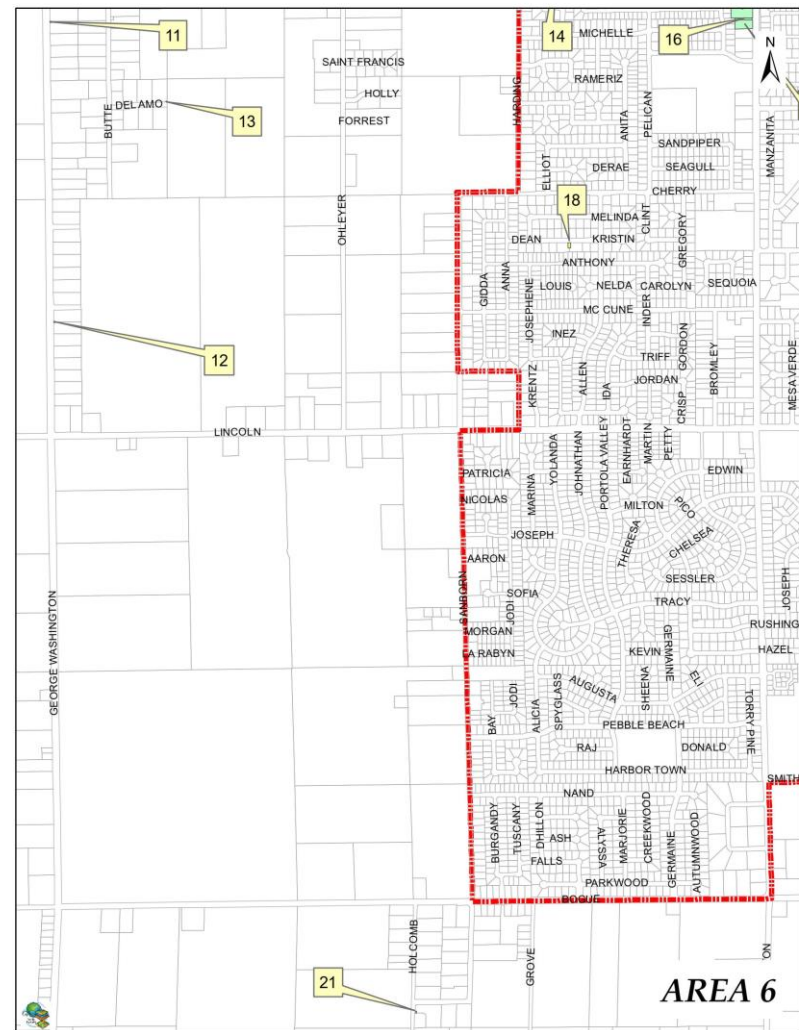
Maps

Map ID	Site Address	Description
22	Railroad Ave	Well Site



Maps

Map ID	Site Address	Description
11	George Washington Blvd	Well Site
12	S George Washington Blvd	Well Site
13	Del Amo Dr	Well Site
21	Holcomb Ave	Well Site



Options – Exempt Surplus Land



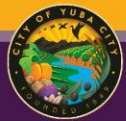
- Exempt Surplus Land
 - Consider deeding such land to adjacent property owners, with the finding that it is in the best interest of the City
 - Evaluate on a case-by-case basis to determine if there is benefit to combining with adjacent City-owned properties (APN 57-220-065)

Options – Surplus Land



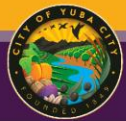
- Surplus Land
 - Select a real estate broker to assist Staff to manage the offering, negotiating, and potentially selling the surplus land
 - Issue a NOA and solicit proposals from housing sponsors and other interested parties for the purchase/lease of the land, and proceed with the process required under AB 1486
 - Offer properties “as-is”
 - Any proposals received will be negotiated and later brought to the City Council for approval
 - If no proposals are received following the NOA, proposals for acquisition with private parties will be negotiated and presented to the City Council for approval

Timeline



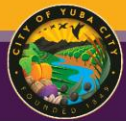
- Initially, goal was to try to dispose of surplus land prior to January 1, 2021
- Based on process timeline, it is expected that the process will extend beyond January 1, 2021, which means that HCD will need to review the process and make written findings related to any process violations

Fiscal Impact



- City will collect proceeds from the sale of the surplus land
- There will be costs associated with appraisals, staff time to prepare NOA's and manage process, title and escrow costs, broker fees, etc.

Recommendation

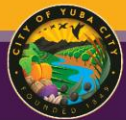


- Provide direction to Staff as to the disposal method for the Exempt Surplus Land Properties
- Adopt a resolution declaring certain City-owned properties to be exempt surplus land and certain other City-owned properties to be surplus land and directing the City Manager to follow the procedures set forth in the Surplus Land Act for the sale of such properties

Future Council Action Items



- Final disposition of Exempt Surplus Land
- Final disposition of Surplus Land



Questions