



STAFF REPORT

TO: MAYOR AND COUNCIL MEMBERS **DATE: DECEMBER 13, 2022**
FROM: COMMUNITY DEVELOPMENT **DISTRICT(S): 4 AND 5**
SUBJECT: CONSIDERATION OF A RESOLUTION DECLARING CERTAIN REAL PROPERTY AS SURPLUS LAND (APN: 8655-007-900, 8655-007-901, 8655-007-902 AND 8655-021-900)

RECOMMENDATION

That the City Council:

1. Adopt a City Council Resolution entitled, "A RESOLUTION OF THE CITY COUNCIL DECLARING PURSUANT TO GOVERNMENT CODE SECTION 54221 THAT REAL PROPERTY OWNED BY THE CITY IDENTIFIED BY ASSESSOR PARCEL NUMBERS (APN) 8655-007-900, 8655-007-901, 8655-007-902, AND 8655-021-900 IS NON-EXEMPT SURPLUS LAND AND NOT NECESSARY FOR THE CITY'S USE, TAKING RELATED ACTIONS, AND AUTHORIZING STAFF TO PROCEED TO DISPOSE OF THE PROPERTY PURSUANT TO THE SURPLUS LAND ACT."

EXECUTIVE SUMMARY

The City currently owns undeveloped property in the City of Glendora located at the southern terminus of Woodland Lane, extending easterly to San Jose Drive and southerly to Big Dalton Wash (APN: 8655-007-900, 8655-007-901, 8655-007-902, and 8655-021-900) ("Property"), as visually depicted under the Vicinity Map (Attachment A). The Property is composed of four vacant parcels, totaling 252,520 square feet or 5.8 acres (4.83 usable considering the 0.98 Big Dalton Wash encroachment). The property is adjacent and to the North of the City Public Works Yard and south of Foothill Blvd. The City has considered the property and has determined it is not necessary for the City's use. Prior to disposing of the property, the City must follow procedures established by the Surplus Land Act and declare the property as Surplus Land via a resolution, included as Attachment B.

LEGISLATIVE HISTORY / PREVIOUS ACTIONS

Effective January 1, 2020, the Surplus Land Act as amended by AB 1486 (codified in Government Code §§ 54220 *et seq.*) ("Act") includes, among other requirements, changing the existing, long-standing definition of "surplus land"; providing that land shall be declared either "surplus land" or "exempt surplus land" before a local agency may take any action to sell or lease land; and adding a new limitation providing that an "agency's use" "shall not include commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development," or "property disposed of for the sole purpose of investment or generation of revenue." The Act further added provisions prohibiting the City from negotiating any disposition of the property prior to compliance with the procedural requirements of the Act.

DISCUSSION

The City acquired the Property located at the southern terminus of Woodland Lane, extending easterly to San Jose Drive and southerly to Big Dalton Wash (APN: 8655-007-900, 8655-007-901, 8655-007-902, and 8655-021-900) more than four decades ago. Records as to the intended purpose of the acquisition

were not located, however the property is adjacent to the Public Works Street Yard and it is believed that the intent of the acquisition was for City operations.

The City has recently considered the Property and has determined it is not necessary for the City's use or operation. Disposition of the property requires that the City comply with the Surplus Land Act.

Under the Act, the City is required to take the following steps to dispose of the Property:

- 1. Declare Property as "Non-Exempt Surplus Land."** City Council's declaration of the Property as Non-Exempt Surplus Land is the first step in disposing the Property in accordance with the Act. Should Council declare the Property as Non-Exempt Surplus Land, the written findings would be submitted to the State of California Housing Community Development Department ("HCD") pursuant to the Act. A Non-Exempt declaration is recommended because the Property is undeveloped, encumbered by easements, and is not otherwise being used by the City. Staff have evaluated the Property for its potential to be used for City work or operations and have determined that the Property is not suitable for City's use. The Property does not meet any of the "exempt" criteria under the Act (e.g., parcels less than 5,000 sq. ft., transfer to local agencies, etc.).
- 2. Issue Notice of Availability.** Following the "Non-Exempt Surplus Land" declaration, a Notice of Availability (NOA) must be sent out to HCD and all entities designated in Government Code § 54222 ("Designated Entities"), including low- and moderate-income housing sponsors, with information on the Property. Other Designated Entities listed under the Act include county and state park agencies, school districts, housing authorities, and public transportation agencies. The purpose of this notice is to allow Designated Entities the opportunity to express interest in acquiring the surplus land.

A minimum period of 60 days must be given to allow sufficient time for interested parties to respond. HCD maintains a comprehensive list of housing developers that the City would be required to notify (by letter or email). To implement this step, Staff intends on sending notices to all required entities and concurrently provide a webpage with detailed information which would affect development and use of the Property, including, but not limited to, a current preliminary title report, plotting of easements, environmental information, etc.

- 3. Review Notice of Interests/ Good Faith Negotiations.** After the 60-day Notice of Availability period, staff will review proposals, if any, from interested parties, select the top proposals, and initiate the 90-day good faith negotiations period. The Act does not require the City to sell to any Designated Entities for less than the Current FMV at the time of transaction.

If the City receives multiple notices of interest from Designated Entities to whom the notice was sent, the City is required to give priority to the entity that agrees to use the site for affordable housing purposes as specified under the Act. If more than one entity proposes the same number of affordable units, the City must give priority to the entity that proposes the deepest average level of affordability.

If the price or terms of a sale to a Designated Entity cannot be agreed upon, the City can sell the surplus land to any interested party, however if a market rate developer builds more than 10 residential units, the Act requires that 15% must be sold or rented at an affordable cost or affordable rent to lower income households for a period of 45 – 55 years (depending if rental or ownership housing), which shall be set forth in a covenant recorded against the property.

This agenda item addresses only the first step of the required process under the Act. City Council is

asked to approve a Resolution declaring the Property as non-exempt, surplus land and authorize staff to take the next steps required under the Act for property disposition, including issuing the NOA. Any Notice(s) of Interest received will be brought to Council for consideration and negotiation.

FISCAL IMPACT

There are no immediate financial impacts relative to the recommended action. Some minimal direct costs will be incurred due to notices that must be mailed to the HCD and Designated Entities notifying them of the City's surplus property.

ENVIRONMENTAL DETERMINATION

Not Applicable.

Prepared By	Valerie Velasquez, Economic Development and Housing Manager
Concurs With	Not Applicable
Reviewed By	Jeff Kugel, Community Development Director
Certified to Availability of Funds	Marie Ricci, Administrative Services Director/City Treasurer
Approved By	Adam Raymond, City Manager
Legal Review	William W. Wynder, City Attorney
CEQA Review	Not Applicable

ATTACHMENTS:

- A. Vicinity Map
- B. Resolution
- C. PowerPoint