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AGENDA REPORT

Item #: 4
Date: November 2, 2021
Item Subject: Resolution Number 1191: Declaration of Surplus Land
Submitted By: Mandy Mager, City Manager
Prepared By: Ethan Walsh, Consulting Attorney

General Information: The City is considering selling or leasing certain City-owned properties (APN 312-161-018, 312-161-015 and 025-201-023) so that the properties can be developed consistent with the City's General Plan. The City recently entered into an Exclusive Negotiating Agreement (the "ENA") for the sale of one of the City properties with Danco Communities for the development of a mixed-use development that would include affordable housing. However, after approving that ENA, it came to City staff's attention that based on recent changes to State law, before a City can sell or lease a property it must declare that land to be "surplus land" and follow certain procedures for sale or lease of the land unless the sale or lease is specifically exempt from the Surplus Land Act. By approving the attached resolution, the City Council would declare these parcels as "surplus land," under the Surplus Land Act and Government Code section 54221 and determine that these parcels are no longer necessary for the City's use. This would allow the City to proceed with the process of selling or leasing these properties consistent with the procedures outlined in this report.

In order for the City to sell or lease these parcels, the City must first go through a public/stakeholder engagement process in accordance with the Surplus Land Act. This process requires the City to transmit notices of availability to designated entities under state law and allow for a 60-day period during which these entities, including potential affordable housing developers and public entities with jurisdiction over the parcel(s), may express their interest in negotiating on any of those parcels. The Surplus Land Act requires this right of first refusal as a means to encourage affordable housing development throughout the State. If an interested party responds to the notice of availability, the City is required to engage in good-faith real property negotiations for at least 90-days on price and terms for sale of the property. The City also has reporting and compliance obligations to the Department of Housing and Community Development, who can impose penalties based on the ultimate sales price of the parcel if the Surplus Land Act is not followed. The proposed action and resolution sets the surplus process on course and allows staff to consider any proposals received from affordable housing developers or other entities designated under the Surplus Land Act.

Upon conclusion of the process described above, the City may proceed with selling the properties in any manner the City deems appropriate.

Background Material Provided:

1. Resolution No. 1191 Designating Surplus Land
2. Proposed Notice of Availability of Surplus Land

Fiscal Impact: There are minimal costs related to sending a Notice of Availability to the California Department of Housing & Community Development informing of the City's adoption of the Resolution.

Recommended Action: Approve Resolution No. 1191 Declaring Certain City Owned Properties as Non Exempt Surplus Land and No Longer Necessary for the City's Use and Directing the City Manager to Follow the Procedures Set Forth in the Surplus Land Act (Gov. Code, § 54220 et. seq.) as Amended by Assembly Bill 1486 for the Disposition of Said Surplus Land

Review Information:

City Manager Review: Legal Review: Planner Review: Engineer:

Comments:

RESOLUTION NO. 1191

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLUE LAKE DECLARING CITY-OWNED PROPERTY LOCATED WITHIN THE CITY AND KNOWN AS ASSESSOR PARCEL NUMBERS 312-161-015, 312-161-018, AND 025-201- 023, AS SURPLUS LAND AND DIRECTING THE CITY MANAGER TO FOLLOW THE PROCEDURES SET FORTH IN THE SURPLUS LAND ACT, CALIFORNIA GOVERNMENT CODE SECTION 54220, ET SEQ., AS AMENDED BY AB 1486, FOR THE SALE, AND/OR LEASE OF SURPLUS LAND

WHEREAS, the City of Blue Lake (“City”) owns that certain real property in fee simple located adjacent to Taylor Way in the City of Blue Lake, State of California known as Assessor Parcel Numbers 312-161-015, 312-161-018, and 025-201-023, (“Property”), which consists of approximately Nine (9) acres and is zoned Opportunity; and

WHEREAS, Assembly Bill 1486 went into effect on January 1, 2020 (“AB 1486”), and expanded the Surplus Land Act requirements for local agencies prior to the disposition and disposal of any “surplus land”; and

WHEREAS, the Property is currently not listed for sale; and,

WHEREAS, the City Council finds that the mission of the City and implementation of the City’s General Plan may be further advanced with the sale or lease of the Property;

NOW, THEREFORE IT IS HEREBY RESOLVED, ORDERED AND FOUND by the Blue Lake City Council of the City of Blue Lake, State of California, as follows:

Section 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The City Council hereby finds the following:

A. Although the Property is used for recreation access it does not meet the exemption findings identified under the Surplus Land Act, and is thus determined to be surplus land; and

B. The sale or lease of the Property may further the implementation of the City’s General Plan and may advance the mission of the City.

The City Council therefore finds and declares that the Property is surplus land, as defined in California Government Code section 54221, based on the true and correct written findings found in this Resolution and incorporated herein by this reference.

Section 3. The City Council hereby authorizes the City Manager to send written notices of availability of the Property for sale, or lease, to any beneficially interested person or entity, to bring terms of a proposed sale or lease of the Property to the City Council, or it’s designated negotiating team, and to otherwise follow the procedures of the Surplus Land Act,

California Government Code section 54220, *et seq.*, as amended on January 1, 2020, as applicable to a proposed sale of the Property.

Section 4. Any proposed agreement for the sale or lease of the Property shall be subject to the approval of the City Council.

Section 5. The sale or lease of the Property as surplus is exempt from environmental review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15312 (Surplus Government Property Sales). However, if development was proposed on the Property by a subsequent buyer, or lessee, then that development would be reviewed under CEQA.

Section 6. This Resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall attest to and certify the vote adopting this Resolution.

PASSED AND ADOPTED by the City Council of the City of Blue Lake, State of California this ___ day of November 2021, by the following vote:

Ayes:

Nays:

Abstention:

Absent:

Adelene Jones-Mayor

City Clerk