

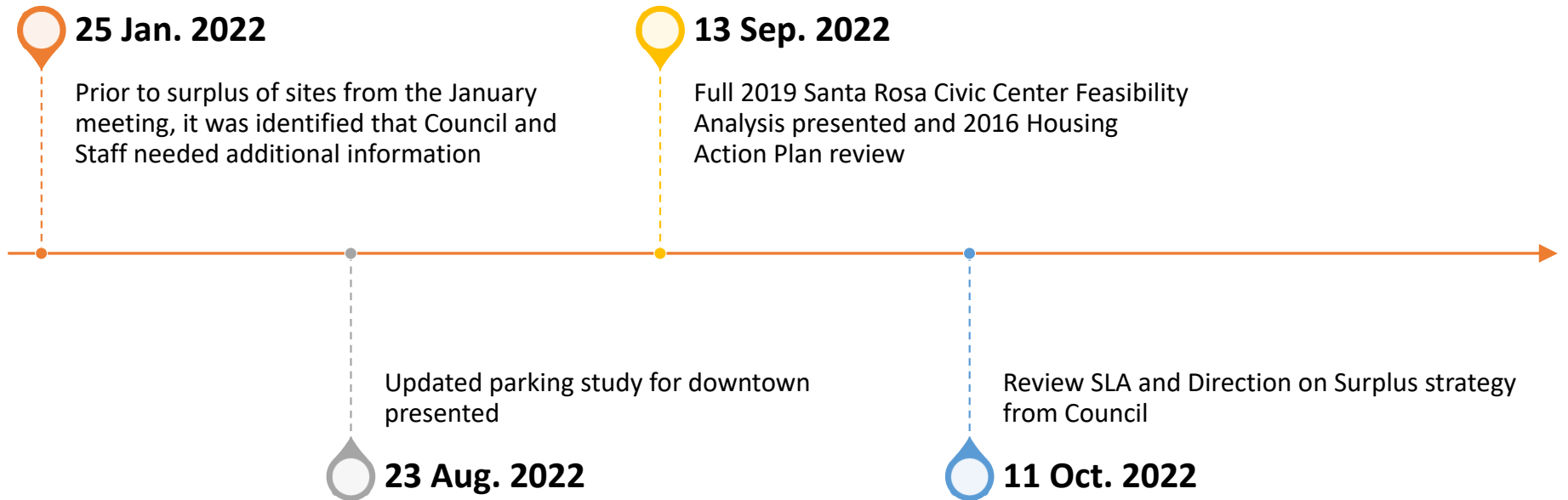


# DECLARATION OF FOUR CITY OWNED PARCELS AS NON-EXEMPT SURPLUS LAND

City Council Meeting

December 6, 2022

# Background: Downtown Asset Development Series of Study Sessions



# The State of CA on Excess and Underutilized Government Property

The Aim of the Surplus Land Act (SLA) is to increase the availability of real property in California for affordable housing development by requiring the prioritization of affordable housing when selling or leasing public lands.

To address the shortage of housing, Governor Newsom ordered the Department of General Services (DGS) and the Department of Housing (HCD) to identify excess state-owned property and aggressively pursue housing projects.

Additionally, DGS has streamlined a plan to transition underutilized multistory state buildings into housing for the purpose of expanding affordable housing.

*"It starts with housing, perhaps our most overwhelming challenge. There's too much demand and too little supply. And that is happening in large part because too many cities and counties aren't even planning for how to build. These cities need to summon the political courage to build their fair share of housing. I want to support local governments that do what's right, like Anaheim and Santa Rosa. But there must be accountability for those that don't."*

*Governor Newsom*

# Surplus Lands Act (SLA)

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Updates to  
the SLA  
Government  
Code Section  
54222

Government owned property must:

Be declared surplus by its governing body prior to disposition or request for proposal (RFP) for development, even with continued use such as government facilities.

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Be made available to housing sponsors for affordable housing through a notice of availability to the State Department of Housing and Community Services (HCD) prior to being made available to private developers through the RFP process.

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# Council Direction

Feedback from Council during the Oct. 11 study session gave Staff direction to:

Declare several of the parking assets “non-exempt surplus land” to make way for affordable housing/mixed use and housing amenities in the Downtown, with the goal of bringing more activity to the area.

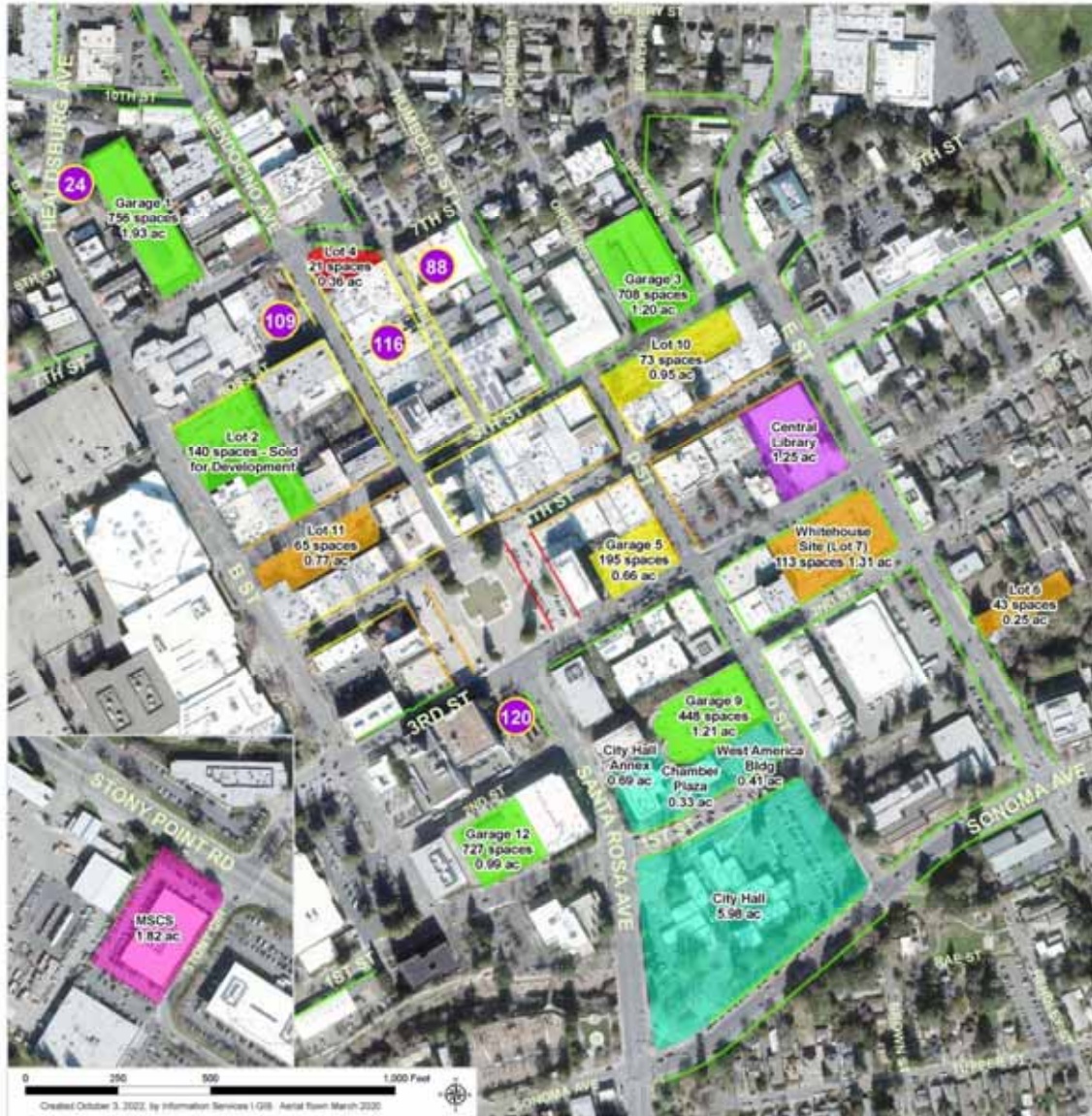
Declare City Hall, City Hall Annex block, Public Safety Building (PSB), and Municipal Services Center South (MSCS) as surplus with the required replacement of a Civic Center as well as police and fire facilities.

Bypass the City Council Surplus Policy and follow the SLA requirements for surplus

## Collateralization of Certain Downtown Assets

City Hall Annex and associated buildings are being held as collateral as part of the 2007 acquisition of 655 1<sup>st</sup> street (“West America Bank Building”) and later refinanced into the 2016 Courthouse Square reconstruction debt. MSCS and PSB are collateral against 1996 Redevelopment financing refunded in 2016. Due to this, and in the absence of a fully vetted financial plan to cover the debt service of a new Civic Center, Staff is recommending that these particular sites not be declared surplus until a fully formed financial plan can be established.





### City assets

- City Hall Complex
- MSCS
- Central Library
- City Police/Fire Station

### Parking by Utilization

- 0-49 %
- 50-69%
- 70-84%
- 85-100%

Proposed Future Development (# = Units)

Notes:  
 Garage 5 Deck Replacement \$6M  
 Garage 9 Deck Replacement \$6M



# Housing Potential of Proposed Sites

Garage 5 - .66 acres/FAR 8 – 195 Parking Stalls currently

Potential housing units if developed:

- 230 - 800 sf units or
- 184 – 1,000 sf units or
- 153 – 1,200 sf units

Lot 11 – .77 acres/FAR 8 – 65 Parking Stalls currently

Potential housing units if developed:

- 268 - 800 sf units or
- 214 – 1,000 sf units or
- 179 – 1,200 sf units

Whitehouse Site- 1.31 acres/FAR 8 – 113 Parking Stalls currently

Potential housing units if developed:

- 463 - 800 sf units or
- 370 – 1,000 sf units or
- 309 – 1,200 sf units

\*Structured parking does not count toward total FAR requirements

\*FAR is the ratio of total building area in relation to lot size. It can be calculated by taking the total building square footage and dividing it by the area of the lot. FAR does not directly limit the height or number of stories of a building; it simply controls the amount of building space allowed on a given lot.



# Future Demand on Parking

Walker Consultants (Walker) completed a study to determine the demand for future parking based on anticipated developments, and the impact to the City's Parking System

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Walker used the June 2022 parking utilization study as a baseline

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The City provided Walker with additional information including current permits assigned in all garages and lots, and a detailed list of current and projected developments in the downtown

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Walker utilized a shared parking model to determine potential parking demand in the downtown resulting from future development

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Walker concluded that the City's Parking System is adequate to sustain the future demand of proposed developments if no public parking were provided at Lot 11, Whitehouse Site and Garage 5.

# Study Methodology

- Walker Consultants utilized a “shared parking” approach to evaluate the needs for future development in the downtown
- Shared parking is the ability to use the same parking resource by multiple nearby or adjacent land uses without conflicts or encroachment, including spillover to adjacent properties or streets
- The goal is to find the balance between providing adequate parking while minimizing the negative aspects of excessive land area or resources devoted to parking
- This methodology was developed in the 1980s and is a widely accepted industry standard for rightsizing parking facilities

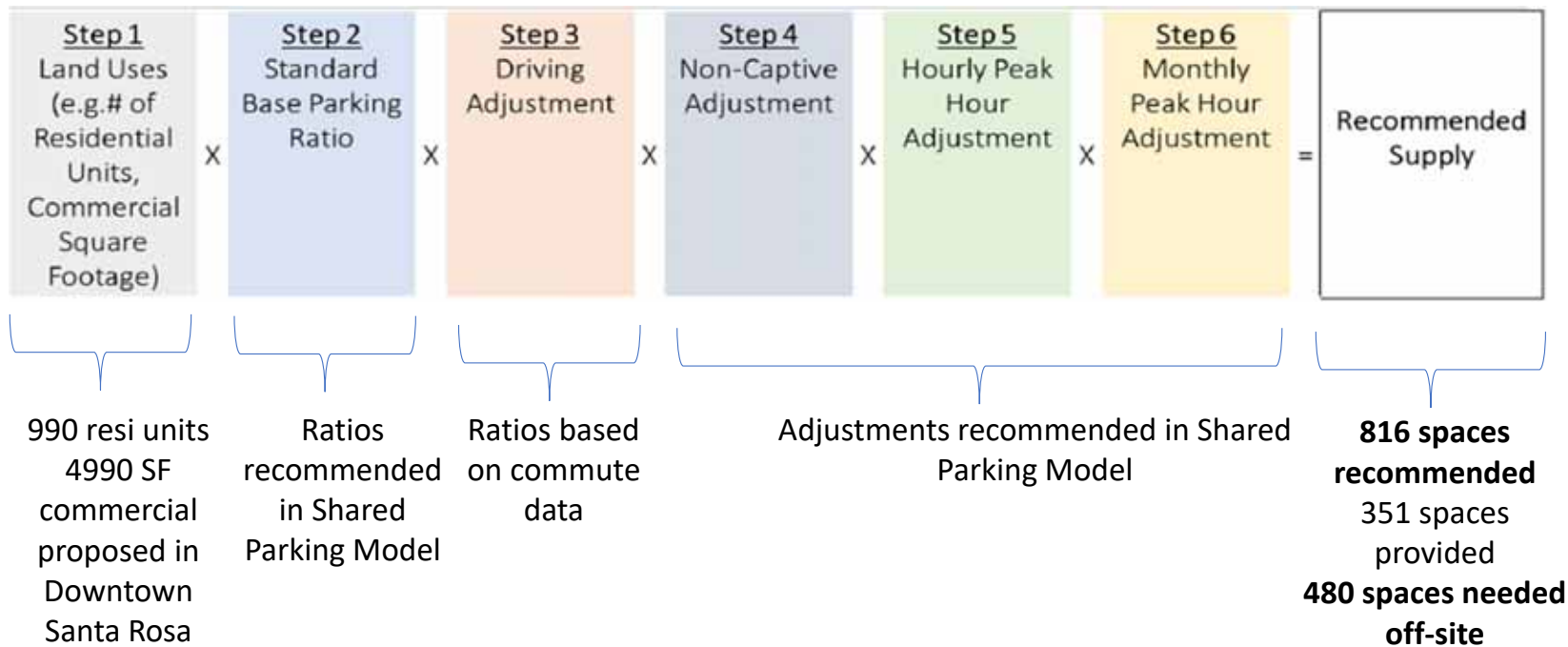
# Shared Parking Analysis

## Shared Parking Model:

- Considers parking demand for numerous uses including base parking ratios and default values for daily, hourly, and seasonal variations
- Considers use of alternative modes of transportation and captive market effects
- Recognizes the interrelationship of parking among residents, and on-site accessory uses such as proposed retail, food and beverage space, and adjacent office uses

# Shared Parking Analysis (cont.)

Below are the steps of the Shared Parking Analysis showing the supply needed from the remaining facilities:



# Shared Parking Analysis (cont.)

Development Name/Parking Facility Name	Additional Future Demand – New Development and Removal of Whitehouse Site, Lot 11, and G5					
	Lot 2	Lot 10	Garage 1	Garage 3	Garage 9	Garage 12
1 Santa Rosa Ave						125
420 Mendocino Apartments			110			
Ross Street Development			112			
425 Humboldt St Apartments				17		
The Flats at 528 B Street			25			
891 3rd St Multi-Family Housing		17				
888 4th St Apartments						
Caritas Homes - Phases I and II			74			
Whitehouse site removal					27	
Lot 11 removal	48					
Garage 5 removal					117	
<b>Total Additional Demand</b>	<b>48</b>	<b>17</b>	<b>321</b>	<b>17</b>	<b>144</b>	<b>125</b>

# Shared Parking Analysis (cont.)

	Lot D	Lot 2	Lot 10	Lot 6	Garage 1	Garage 3	Garage 9	Garage 12
Current Design Day Parking Occupancy with increases in Permit Sales	29	92	37	25	127	287	155	162
Additional Demand - Future Development and Loss of Whitehouse site, 11, & G5	0	48	17	0	321	17	144	125
Total Future Occupancy	29	140	54	25	448	304	299	297
Parking Inventory	39	144	73	43	756	708	448	727
Future Number of Spaces Available	<b>10</b>	<b>4</b>	<b>19</b>	<b>18</b>	<b>308</b>	<b>404</b>	<b>149</b>	<b>440</b>
Future Parking Utilization	74%	97%	74%	58%	59%	43%	67%	39%



# Study Findings

- A substantial amount of public parking still sits empty in downtown Santa Rosa
  - June 2022 study showed only 30% public parking utilization during the design day conditions. Adjusting parking demand up to pre-pandemic levels, there would still be an estimated 2,585 public parking spaces available, or a 44% utilization
- Several development projects are proposed downtown that will need off-site parking
  - While many of the developments will provide on-site parking, Walker projects an estimated 480 spaces would be needed off-site to accommodate the demand of these development projects
- Overall parking permit sales are projected to increase
  - Since previous design day study, some facilities have had higher permit sales, with a projected increase of 171 parking permits for those facilities

# Study Findings, continued

- Existing public parking facilities can accommodate the demand projected from future development
  - Projected need for 480 off-site parking spaces could be accommodated by public parking facilities including Lot 10 (5<sup>th</sup> Street), Garage 1 (7<sup>th</sup> Street), Garage 3 (5<sup>th</sup> Street), and Garage 12 (1<sup>st</sup> Street)
- Existing public parking facilities can accommodate the demand from the loss of parking from the three proposed surplus parcels
  - Walker projects the parking demand from losing the three proposed parking facilities (approximately 182 vehicles in the last study) could be accommodated by available parking other City facilities like Garage 9 and Lot 2 for example
- Study Area is projected to have capacity with future development
  - Study area-wide utilization is expected to grow to 48% (up from 30%), but will be spread out with a few locations expected to exceed 85% utilization

# Parking Recommendations

To Balance the Councils Goals and Visions with the needs of the Downtown, Staff Recommends the following regarding replacement of public parking:

Whitehouse  
Site

No public parking  
requirement- open  
to negotiation

Lot 11

No public parking  
requirement –  
open to  
negotiation

Garage 5

Minimum 75 public  
stalls -negotiations  
to include potential  
City investment



## Next Steps

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- City Council closed session for consideration of price and terms for long term lease or sale of parcels
- HCD approval of Resolutions (30 days)
- Submit a notice of availability to HCD making the property available to approved affordable housing sponsors

# Next Steps Continued



Negotiate with interested housing sponsors



Enter into agreement with housing sponsor for development



If no interest from approved affordable housing sponsors, then...



Project sounding, possible issuance of RFP to private developers

## RECOMMENDATION

It is recommended by the Finance, Planning and Economic Development and Transportation and Public Works Departments that the Council, by three separate resolutions, pursuant to Government Code Section 54221: 1) declare that each of the following four City owned properties located at (a) 625 and 637 3<sup>rd</sup> Street, APNs 009-013-011 and 009-013-012 (“Garage 5”), (b) 500 5<sup>th</sup> Street, APN 010-053-028 (“Lot 11”), and (c) 730 3<sup>rd</sup> Street, APN 009-072-044 (“Lot 7”, aka “Whitehouse Site”, together with Garage 5 and Lot 11, collectively “Surplus Lands”) are “non-exempt surplus land”; 2) direct Staff to prepare and submit Notices of Availability for the Surplus Lands; and 3) authorize the City Manager to take all necessary actions to comply with the Surplus Lands Act and carry out Council’s direction in the disposition of the Surplus Lands