CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JASON NUTT, ASSISTANT CITY MANAGER
SUBJECT: DECLARATION OF 1942 ROSE AVENUE AS EXEMPT SURPLUS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Transportation and Public Works Department recommends that the Council, by resolution, supersede and replace Resolution No. RES-2023-213 and declare, pursuant to Government Code Section 54221, the City-owned parcel located at 1942 Rose Avenue, APN 125-191-001 ("Property") as exempt surplus and authorize the City Manager or their designee to convey the Property to an adjacent property owner by bid procedure as set out in Council Policy 000-10. This item has no impact on current fiscal year budget.

EXECUTIVE SUMMARY

In December 2023, the Council declared the Property as non-exempt surplus. Recent changes to the Surplus Land Act ("SLA") have raised the exempt threshold from 5,000 square feet to 21,780 square feet. As the Property is now exempt from the SLA requirements, a new resolution, superseding the previous resolution, is required to reclassify the Property as exempt surplus in order to proceed with its disposition.

GOAL

This item relates to Council Goal #2 - Invest in the Development and Maintenance of the City's Infrastructure as the Property is a remanent portion of a larger site that was acquired for the Stony Point Widening Project which is now completed, by divesting of the Property, the City will not continue to incur unnecessary liability for property that does not have a public purpose.

BACKGROUND/PRIOR COUNCIL REVIEW

- The Property is a 10,385 square foot unimproved parcel, which is a remnant portion of a larger site, originally acquired in 2010 for a capital improvement project and not all of the property included within the larger site was needed.

- On December 12, 2023, the Council adopted Resolution No. RES-2023-213, declaring the Property non-exempt surplus under the SLA.
- Following the surplus action in December 2023, but before the City disposed of the Property, the threshold for an exempt property under the SLA increased from 5,000 square feet to 21,780 square feet, thus changing the requirement to dispose of the Property as non-exempt surplus property.
- Exempt surplus land is land determined by a local agency (and verified by the California Department of Housing and Community Development (HCD) to meet specific requirements, most specifically land not suitable for housing (i.e., often small parcels, former ROW, parcels with legal restrictions that prohibit housing, landlocked parcels, etc.)
- A new resolution is now needed to reclassify the Property as exempt surplus in order to proceed with the disposition.

ANALYSIS

Under the SLA, local agencies must first offer surplus land for affordable housing before selling or leasing it. Parcels are classified as either:

- Exempt Surplus Land - Typically small, landlocked, or legally restricted parcels unsuitable for housing.
- Non-Exempt Surplus Land - Generally 21,780 square feet or larger, with potential for housing development.

Although the Property was initially designated as non-exempt, its size necessitates reclassification as exempt. To comply with SLA requirements, a new Council resolution is needed to supersede the prior designation and formally declare the Property as exempt surplus.

Staff recommends disposing of the Property to an adjacent landowner to better align with the City’s land use and policy goals. The sale will follow the City’s bidding process, as outlined in the Council’s Surplus Property Policy. If only one adjacent owner is interested, the Property may be sold through direct negotiation; if multiple, a private auction (oral or sealed bid) will be held among adjoining owners.

Alternatives to this action include:

- Retain the Property’s non-exempt status and pursue a sale under SLA protocols; however, this may be impractical due to the Property’s development constraints.
- Retain the Property altogether, though it currently has no operational use and requires ongoing maintenance, resulting in continued costs for the City without a clear public benefit.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed action is not a “project” subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

PRESENTER(S)

Jill Scott, Real Estate Manager