



Request that the City Council declare pursuant to government code section 54221 that certain real property owned by the City and located at 702 & 716 Bennett Valley road and 921 & 927 Rutledge avenue (APN 038-151-004, 038-151-011, 009-333-009, 009-333-014) is exempt surplus land that will be transferred as affordable housing pursuant to government code 37364

City Council Meeting  
January 11, 2022

Jill Scott, Real Estate Manager  
Real Estate Services

# BACKGROUND

- May 2019 – City issued Request for Proposals for affordable housing development on City Property (702 Bennett Valley Road and 921 & 927 Rutledge Avenue).
- September 24, 2019 – City Council selected Freebird as Developer.
- June 19, 2021 – City Council approved Disposition and Development Agreement with Freebird.
- After the City issued the RFP, the State legislature adopted AB 1486, new requirements to the Surplus Lands Act (SLA).

# NEW SURPLUS LANDS ACT REQUIREMENTS

- Before disposing of any land, the Agency must declare property “surplus land” or “exempt surplus land” and follow certain procedural requirements laid out for each.
- SLA does include exemptions when planning to dispose of land for affordable housing, including an exemption for land that is “transferred pursuant to Section 37364.” This authorizes Agencies to convey land for developing housing where at least 40% of the total developed units are to be affordable to households whose incomes are less than or equal to 75% of the maximum income for lower income households (80% of AMI), and at least half of the affordable units are set aside for very low-income households (50% of Area Median Income).

# NEW SURPLUS LANDS ACT REQUIREMENTS

In order to ensure compliance with the Surplus Lands Act the City Council must therefore adopt a resolution finding that the conveyance of the Property pursuant to the DDA is exempt from the Surplus Lands Act and forward the resolution to HCD prior to final conveyance.

# RECOMMENDATION

It is recommended by Real Estate Services, Transportation and Public Works and Housing Departments that the Council, by Resolution, declare pursuant to Government Code Section 54221 that real property located at 702 Bennett Valley Road and 921 & 927 Rutledge Avenue (APN 038-151-004, 038-151-011, 009-333-009, 009-333-014) is “exempt surplus land” under the Surplus Lands Act, and directing that the Resolution be submitted to the State Department of Housing and Community Development in accordance with Section 400(e) of the HCD Surplus Lands Act Guidelines.

QUESTIONS?