



APPROVAL OF A RESOLUTION OF THE SANTA ROSA
CITY COUNCIL DECLARING THE SALE OF PROPERTY
LOCATED AT 521 FIFTH STREET, APN 010-045-025, TO
CORNERSTONE PROPERTIES TO BE EXEMPT FROM
THE PROVISIONS OF THE SURPLUS LANDS ACT
ENACTED BY AB 1486 (2019)

City Council Meeting
May 25, 2021

Jill Scott
Real Estate Manager

BACKGROUND

- On November 20, 2018, the City and Cornerstone entered into an Exclusive Negotiations Agreement for the sale of City property located at 521 Fifth St., APN 010-045-025 (sometimes also known as 410 B Street).
- The City and Cornerstone have diligently negotiated the terms of conveyance to ensure compliance with the City codes and objectives and to that would include conditions that require not less than fifteen percent of the residential units be affordable to lower income households, community benefitting uses on the ground floor of the development, and continued availability of public parking to replace the spaces currently provided on the Property.

ANALYSIS

- In 2019 the State Legislature enacted Assembly Bill 1846 (“AB 1486”), which made significant revisions to the Surplus Lands Act (Gov’t Code §§54220-54234), and imposed new requirements that local public agencies must comply with prior to disposing of property.
- Based on Government Code Section 54234, the conveyance of the City Property to Cornerstone is exempt from the provisions of the new Surplus Lands Act since the parties entered into the ENA prior to September 30, 2019, provided that the disposition is completed not later than December 31, 2022.

ANALYSIS (cont'd)

- Staff anticipates that it will bring forward a conveyance agreement for Council consideration in early June for the sale of the Property to Cornerstone. If such agreement is approved by Council, staff anticipates expediting the transaction to provide for closure of escrow on the conveyance by or about June 30, 2021.
- As required by HCD guidelines, the City desires to make a written determination that the conveyance of the Property is thus exempt from the new provisions added to the SLA by AB 1486 and shall provide a copy of the written determination to HCD at least 30 days prior to disposition.

RECOMMENDATION

It is recommended by Real Estate Services that Council: 1) by motion, find good cause, under the Early Agenda Policy and the Open Government Ordinance, to consider this item, notwithstanding that the item did not appear on the preliminary agenda; and 2) by resolution, declare the sale of property located at 521 Fifth Street, APN 010-045-025, to Cornerstone Properties to be exempt from the new provisions of the Surplus Lands Act enacted by AB 1486, and direct the City Manager to submit the resolution to the California Department of Housing and Community Development (“HCD”) in accordance with Section 400(e) of HCD’s Surplus Lands Act Guidelines.