

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JASON NUTT, ASSISTANT CITY MANAGER
TRANSPORTATION AND PUBLIC WORKS DEPARTMENT
SUBJECT: APPROVAL OF THE SALE OF SURPLUS PARCELS LOCATED
AT 5740 MONTECITO AVENUE AND 0 FOUNTAINGROVE
PARKWAY

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Transportation and Public Works Department recommends that the Council, by resolution, approve the sale of the surplus parcels located at 5740 Montecito Avenue and 0 Fountaingrove Parkway (Assessor's Parcel Numbers 181-010-025, 181-010-026 and 181-020-027) (collectively, the "Property"); and authorize the City Manager or designee to make non-substantive changes to the Agreement, subject to approval by the City Attorney, and execute the Agreement. This item has no impact on current fiscal year budget.

EXECUTIVE SUMMARY

The City, after complying with the Surplus Land Act, advertised the sale of the surplus parcels located at 5740 Montecito Avenue (181-010-025) and 0 Fountaingrove Parkway (181-020-026 and 181-020-027) and received one offer to purchase the Property. Staff has negotiated a purchase and sale agreement in accordance with the price and terms approved by Council and is returning to Council for final approval.

GOAL

This item relates to Council Goal #5 - Plan for and Encourage Housing for All and Reduce Homelessness. Selling surplus City property creates opportunities for housing development on underutilized land, directly advancing this goal.

BACKGROUND/PRIOR COUNCIL REVIEW

The Property was declared surplus by the City Council on May 24, 2005, by Resolution No. 26268. In an effort to dispose of property that the City no longer has a public use for, and in compliance with recent developments in California's Surplus Land Act

("SLA") meant to advance state housing goals, the City put a Notice of Availability out for the Property in 2023 but received no interest from affordable housing developers. The City then advertised the Property on the open market and received one offer to purchase. Staff negotiated a Purchase Agreement with the buyer in accordance with the price and terms approved by Council and seeks Council approval of the final sale and delegation of authority to the City Manager to effectuate the sale.

ANALYSIS

The SLA requires local agencies to make land available for affordable housing before selling or leasing the land for another purpose. After complying with the State requirements and receiving no offers, the City made the Property available on the open market and received one offer. Staff has obtained a Purchase Agreement for the Property executed by the parties, subject to Council approval of the sale. Under the terms of the Purchase Agreement, the Property will be sold as-is for \$169,000, subject to a covenant that states that if ten (10) or more residential units are developed on the Property, not less than 15 percent of the total number of residential units developed on the Property shall be sold or rented at affordable housing cost or affordable rent, as the case may be.

FISCAL IMPACT

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

ENVIRONMENTAL IMPACT

The proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15312 (Surplus Government Property Sales). The sale of surplus property for transfer or disposition by the City does not involve any physical changes to the environment and is therefore exempt.

In addition, the action is not considered a "project" under CEQA Guidelines Section 15378(b)(4), as it involves the transfer of ownership and does not commit the City to any discretionary approval of development that may have a significant environmental effect.

Finally, the action also qualifies for the common sense exemption under Section 15061(b)(3), as it can be seen with certainty that there is no possibility that the sale of these parcels, in itself, may have a significant effect on the environment. Any future development would be subject to separate discretionary approvals and environmental review.

Accordingly, no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

PRESENTER

Jill Scott, Real Estate Manager