



CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD., DEL REY OAKS, CALIFORNIA 93940
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Staff Report

DATE: November 15, 2022

TO: Honorable Mayor and Council

FROM: John Guertin, City Manager

SUBJECT: Declaration of Surplus Land for City-Owned Properties

CEQA: This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378 as it is an administrative activity of the City that will not result in direct or indirect physical changes in the environment.

Recommendation

That the City Council adopt a Resolution declaring certain parcels of land owned by the City of Del Rey Oaks as surplus land.

Background

In 2005, the City acquired a tract of land on the former Fort Ord from the Fort Order Reuse Authority. The tract is composed of several parcels, which were originally known individually as Parcels A, B, C, D, and the "CalTrans Right of Way Parcel".

In 2014, the City sold Parcels A, D, and the Cal Trans Right of Way Parcel to Monterey Peninsula Partners ("MPP") for \$3M, with the option to purchase Parcels B and C for \$17M.

In 2016, MPP entitled the Monument RV Park by initiative measure on Parcel D and the CalTrans Right of Way Parcel. Currently, there is no planned development on Parcel A though it is reasonable to assume it may be developed in conjunction with the Parcels B & C. Development has awaited the extension of public infrastructure including water, sewer, electricity, and gas to the properties.

The Surplus Lands Act (SLA) of California (Government Code Section 54221) requires that a City must declare property to be "surplus land" before the City can take any action (sale or lease) to dispose of the property. Surplus land is land deemed not necessary for a local agency's use, including that according to a local agency's plan, including but not limited to, utility sites or land used for conservation purposes.

In the fall of 2019, Assembly Bill 1486 amended the SLA to address the current housing crisis by promoting the construction of affordable housing on surplus land. The amendment also connects affordable housing developers to local surplus land through a notification process and strengthens enforcement of the SLA by requiring reporting of surplus land inventory to the California

Department of Housing and Community Development (HCD). The amended law became effective on January 1, 2020.

Discussion

In October of 2019, the City published a Request for Qualifications (RFQ) for letters of interest regarding development on 230 +/- acres of the former Fort Ord property. Additionally, the City began discussions with the Monterey Peninsula Regional Park District regarding a potential purchase of the City's approximately 17.5 acre property at the General Jim Moore and Highway 218 adjacent to the Frog Pond Reserve for a potential park extension.

Before the City can continue with other development options for these parcels, the City must declare them surplus and fulfill the notification requirements per the SLA.

The City-owned parcels to be declared as surplus are shown in Exhibit A to the Resolution, and include the following, identified by the Assessor's Parcel Number and approximate location:

- APN: 031-191-007 (Site 1, +/- 230 acres along South Boundary Road)
- APN: 031-091-012 (Site 1A, +/- 18 acres along southside of South Boundary Road)
- APN: 259-011-025 (Site 2, +/-17 acres Gen. Jim Moore and Hwy 218)

The notification process requires the City to send a written Notice of Availability of surplus land to HCD, other public agencies whose jurisdiction the surplus land is located in, and prospective affordable housing developers that have notified HCD of their interest in surplus land that is in the county in which the surplus land is located, or all counties. Noticed agencies and registered housing developers have 60 days from the date of notice to express interest in the property and 90 days to complete good-faith negotiations.

The City is not required to sell the land to the interested party. If terms are not agreed upon between the interested party and the City within the 90-day period of good-faith negotiations, the City may negotiate with any other developers or interested parties for the disposition of surplus land.

Likewise, the proposed declaration of surplus land does not authorize the sale or lease of the affected properties. Once the above process is complete, individual property transactions are required to come before the City Council for approval.

If an agency fails to provide the proper notices, there is a significant penalty that requires a local agency to forfeit 30 percent of the purchase/lease proceeds for the first violation and 50 percent for any subsequent violations.

Respectfully Submitted,

John Guertin
City Manager

RESOLUTION NO. 2022-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL REY OAKS DECLARING CERTAIN PARCELS OF LAND OWNED BY THE CITY AS SURPLUS LAND

WHEREAS, the Surplus Lands Act (SLA) requires that before a local agency takes any action to sell or lease its property, it must declare the property to be “surplus land;” and

WHEREAS, “surplus land” means land owned in fee simple by any local agency for which the local agency’s governing body takes formal action in a regular meeting declaring that such land is surplus and is not necessary for the agency’s use; and

WHEREAS, the agency must give written notice of its availability to any local public entity, including schools and park districts, within whose jurisdiction the property is located, as well as to housing sponsors that have notified the State Department of Housing and Community Development (HCD) of their interest in surplus property; and

WHEREAS, the City of Del Rey Oaks owns the subject properties (Properties) with the following assessor’s parcel numbers:

- APN: 031-191-007 (Site 1, +/- 230 acres along South Boundary Road)
- APN: 031-091-012 (Site 1A, +/- 18 acres along southside of South Boundary Road)
- APN: 259-011-025 (Site 2, +/-17 acres Gen. Jim Moore and Hwy 218); and

WHEREAS, the City Council finds that the Properties are surplus land because they are not necessary for the local agency’s use, as described in Government Code Section 54221(c)(1); and

WHEREAS, the SLA requires that before the City Council disposes of the Properties or engages in negotiations to dispose of the Properties, the City shall send a written Notice of Availability of the Properties to certain designated entities.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Del Rey Oaks, California, as follows:

1. The above recitals are true and correct and are a substantive part of this Resolution; and
2. The City Council hereby declares that the Properties are surplus land and not necessary for the City's use, as described in Government Code Section 54221(c)(1); and
3. The City Manager, or designee, is authorized to prepare and send all notices required by State law related to the declaration of the above identified surplus property including, and without limitation, Notices of Availability of the surplus property as provided for by State law; and
4. The Deputy City Clerk is hereby authorized to make minor changes herein to address clerical errors, so long as substantial conformance of the intent of this document is maintained. In doing so, the Deputy City Clerk shall consult with the City Manager and City Attorney concerning any changes deemed necessary.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Del Rey Oaks held this 15th day of November 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SIGNED:

Alison Kerr, Mayor

ATTEST:

John Guertin, City Clerk