



Folsom City Council Staff Report

MEETING DATE:	8/26/2025
AGENDA SECTION:	New Business
SUBJECT:	Resolution No. 11449 - A Resolution of the City Council Declaring a Portion of APN 071-0190-076-0000 as Exempt Surplus Land and Authorizing Disposition of Said Land through Property Exchange
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Adopt Resolution No. 11449 - A Resolution of the City Council Declaring a Portion of Parcel APN 071-0190-076-0000 as Exempt Surplus Land and to Authorizing Disposition of Said Land through Property Exchange.

BACKGROUND / ISSUE

In 1984, the City of Folsom purchased several parcels from the Folsom Cordova Unified School District (FCUSD) for \$175,000 to extend Riley Street in the vicinity of Bidwell Street and Lembi Drive. In 2011, the City was granted the parcel located at APN 071-0190-076-0000, which was included as part of the 1984 transaction, from FCUSD via Estoppel Certificate to clear up conflicting Title issues with the property. The 0.58-acre site is located east of Comstock Drive and west of Riley Street, as shown in yellow on the aerial map in Figure 1 on the following page. The site has remained vacant since the City purchased the land. However, this land was identified in the Housing Element of the City of Folsom General Plan as a lower-income housing site to meet the City's Regional Housing Needs Allocation requirement for up to 17 units, including up to 16 lower-income units.

In 2019, an application (PN 19-122) was submitted by the owners of 814 Comstock Drive (Patricia and Asghar Agheli) to subdivide their land for additional residential units. As part of that process, the applicants later purchased the knife-shaped parcel (APN 071-0190-054-0000), located between the City-owned site and 814 Comstock Drive as shown in red in the aerial photo in Figure 1 on the following page. The applicant then approached the City with the intent of proposing a lot line adjustment between the City-owned parcel and the knife-shaped parcel to make both parcels more rectangular, and therefore better suited for development.

Figure 1- Aerial Image of Existing Parcels



This proposed land exchange was discussed by the Folsom City Council in May of 2022 during closed session.

Staff support this proposal in concept as it would make the City-owned land more suitable for housing development by creating a rectangular parcel, and the City would not be losing any square footage or be taking on any additional tree mitigation since the private property owner would pay for the difference in mitigation.

Since May of 2022, the applicant reached out to an adjacent property owner at 822 Comstock Drive to take on a portion of the knife-shaped parcel that the City did not want to take on due to it being contiguous with the house on 822 Comstock Drive. The 822 Comstock owner stated that they were not interested in taking on this land. As such, the applicant is now proposing that the City take on 5,119 square feet of land in exchange for 3,094 square feet of City land and leaving the rest of the knife shaped parcel as a remainder, as shown in Figure 2 on the following page. The resultant parcels are shown in Figure 3 on the following page as well. Staff is supportive of this modified proposal.

Figure 2- Land to Be Exchanged

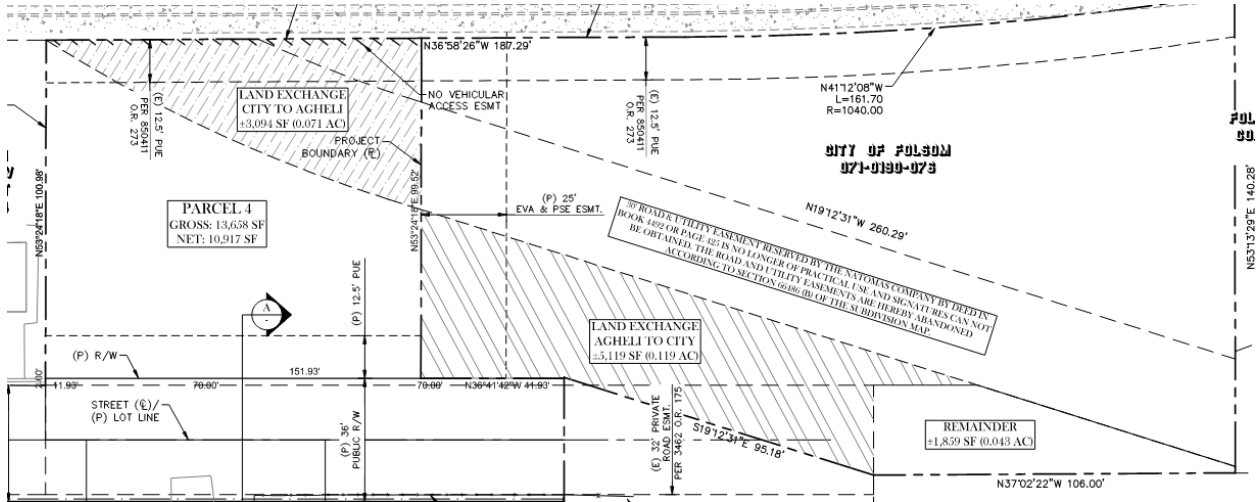
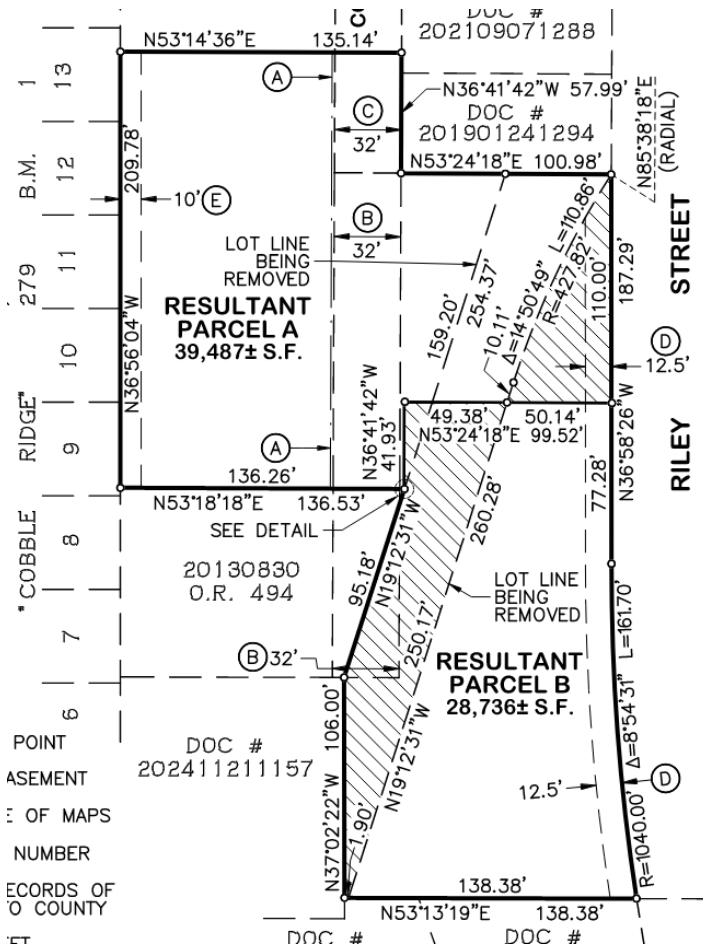


Figure 3- Resultant Parcels



While the applicant's proposed parcel map for development will be subject to review and approval by the Planning Commission, the land exchange will first need Council approval. As part of that action, the land proposed for disposition must go through the Surplus Land Act process or be declared Exempt from this process by the City Council. A determination that the land is Exempt from the Surplus Land Act would then be subject to approval by the California Department of Housing and Community Development (HCD).

POLICY / RULE

Effective January 1, 2020, the Surplus Land Act (SLA) (AB 1486) was amended to address California's shortage of affordable housing. It requires agencies to take formal action in a regular public meeting to declare land surplus. However, land declared to be "exempt surplus land" by the local agency is not subject to these requirements.

The governing board of a local agency must declare the property to be "exempt surplus land" at a regular public meeting and the declaration must be supported by written findings demonstrating that the land is of one or more of several types, including:

Exchange of Surplus Land. Surplus land that a local agency is exchanging for another property or easement necessary for the local agency's use. [Government Code section 54221(f)(1)(C)]

Any determination by a local agency that its surplus lands are exempt from the SLA shall subsequently be provided to HCD for approval pursuant to section 400(e) of these Guidelines.

ANALYSIS

The City has updated its Housing Element consistent with the State mandated cycle and process for an eight-year planning period (2021 – 2029). One of the key challenges with this current update is accommodating Folsom's share of the lower-income Regional Housing Needs Allocation (RHNA) assigned by the Sacramento Area Council of Governments (SACOG). The City's RHNA obligation for this cycle is 6,363 housing units, of which 3,567 units are to be affordable to very low-income and low-income households (collectively referred to as the "lower-income" RHNA).

A core assumption of the Housing Element is that the higher the allowed density in a property's zoning district, the more feasible it is to accommodate affordable housing. The City-owned property located on Comstock Drive was allocated for up to 16 lower income units based on its size and R-3 (Neighborhood Apartment) zoning district. However, the triangular shape of the parcel could make it challenging to develop. The proposed land exchange and lot line adjustment would create a more rectangular parcel that would be easier to develop. Staff notes that the parcel exchange would result in a net increase in square footage on the land designated for the RHNA units and therefore will not result in a net loss of allocated units in the RHNA inventory. Because the City would be taking on additional trees as part of this exchange, staff recommends a condition that the applicant pay for the difference in tree mitigation between the sites (most recently calculated in 2025 at 51.5 inches of protected trees) that would be exchanged to ensure that there is no monetary value lost by the City as part of this transaction. Furthermore, staff concluded that based on the similar slopes of each property, the land being taken on by the City would have a roughly equal potential for development as the land the City would be disposing.

Staff reached out to HCD to determine if Government Code Section 54221(f)(1)(C) was appropriate to use to declare the City-owned land proposed for exchange as exempt surplus land. As shown in the communication from HCD provided in Attachment 2, they confirmed that this was the appropriate Government Code section for the proposed exchange because the resultant property is necessary for the City's RHNA requirements. As such, staff has prepared a Resolution for the City Council to declare the portion of the City-owned land proposed for exchange as exempt surplus land and to authorize disposition of said land to the applicant. As part of this resolution, staff has added language for a waiver of valuation. This means that the City would be waiving the need to appraise the land exchanged as part of the transaction. Staff felt this was appropriate given the fact that the City would be taking on more land than we were giving up as well as getting paid for the difference in tree mitigation and roughly equal potential for development given the site slopes. **1** As such, a valuation was not seen as necessary to ensure that there is no monetary value lost by the City as part of this transaction.

FINANCIAL IMPACT

There is no financial impact associated with the declaration of land as exempt from the Surplus Land Act. With regards to disposition of the property, the City is receiving more land than it is giving up, and the party acquiring the land being disposed of is paying for the costs of both the lot line adjustment processing as well as the recordation and the difference in tree mitigation. Furthermore, the resulting City-owned lot would be easier to develop than the current land given its proposed rectangular shape. As such, no negative financial impact to the City is anticipated with disposition of the property.

ENVIRONMENTAL REVIEW

The declaration of land as exempt from the Surplus Land Act is not considered a project and is therefore exempt from the California Environmental Quality Act (CEQA).

ATTACHMENTS

1. Resolution No. 11449 - A Resolution of the City Council Declaring a Portion of APN 071-0190-076-0000 as Exempt Surplus Land and Authorizing Disposition of Said Land through Property Exchange
2. Email exchange with California Department of Housing and Community Development regarding exempt surplus land initial determination, dated April 28, 2025
3. Photographs of the Properties Proposed for Exchange

Submitted,



Pam Johns
Community Development Director