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**Title:** \*\*\*RESOLUTION- Declaring property located near the northwest corner of Fulton and Inyo Streets at 829 and 835 Fulton Street (APNs 468-282-05T and -22T) to be surplus and directing staff to comply with the Surplus Land Act (Council District 3) (Subject to Mayor’s Veto).

**Sponsors:** Successor Agency to the Redevelopment Agency of th

**Indexes:**

**Code sections:**

**Attachments:** 1. Resolution 829 835 Fulton

Date	Ver.	Action By	Action	Result
5/25/2023	1	City Council	ADOPTED	Pass

**REPORT TO THE CITY IN ITS CAPACITY AS HOUSING SUCCESSOR TO THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO AND FRESNO REVITALIZATION CORPORATION**

**FROM:** MARLENE MURPHEY, Executive Director

**SUBJECT**

\*\*\*RESOLUTION- Declaring property located near the northwest corner of Fulton and Inyo Streets at 829 and 835 Fulton Street (APNs 468-282-05T and -22T) to be surplus and directing staff to comply with the Surplus Land Act (Council District 3) (Subject to Mayor’s Veto).

**RECOMMENDATION**

Staff recommends that the City Council approve the attached Resolution declaring property located near the northwest corner of Fulton and Inyo Streets at 829 and 835 Fulton Street, Fresno California 93721 (APNs 468-282-05T and -22T) to be surplus real property. Declaring the above-mentioned property surplus will allow the City, in its capacity as Housing Successor to the Redevelopment Agency of the City of Fresno, to fulfill the additional requirements of the Surplus Land Act in order to move forward with potential disposition.

**EXECUTIVE SUMMARY**

On January 1, 2020, the Surplus Land Act (SLA) was amended to include additional requirements that local agencies must follow when disposing of property. Before a local agency may take any action to negotiate the sale of or sell property, the local agency’s governing body must take formal action in a regular public meeting declaring that the property is surplus and is not necessary for the agency’s use.

In accordance with the SLA, staff has determined the property is surplus based on the fact that the property is vacant and is not necessary for the Agency's use. As such the property must be declared surplus in order to be proceed with the additional SLA requirements and potential disposition. The SLA requires a 60-day notice of availability (NOA) be sent to certain public entities and housing providers identified by the California Department of Housing and Community Development (HCD). In accordance with the provisions of SLA, (Section 54226) the NOA offers to sell the property at its appraised value for development of affordable residential units as required by the SLA that may also include market rate residential units.

The attached resolution declares the aforementioned property surplus and will allow the Agency to fulfill the requirements of the SLA and move forward with disposition.

## **BACKGROUND**

### *Surplus Land Act Amendment Highlights*

Effective January 1, 2020, the SLA was amended to include additional requirements that must be followed when disposing of surplus property. The SLA requires that land shall be declared either "surplus land" or "exempt surplus land" supported by written findings before a local agency may take any action to sell or lease land. The primary modifications are summarized below:

- Prohibits negotiating disposition of property prior to compliance with the procedural requirements of SLA;
- Requires legislative bodies to take formal action in a regular public meeting to declare land surplus or exempt;
- Prohibits the negotiations between a disposing agency and interested entities from including deal terms that would reduce or disallow residential use of the site;
- Requires disposing agency to send a notice of availability to specified agencies and housing sponsors that have notified the Department of Housing and Community Development of their interest. Agencies have 60 days to respond;
- Requires disposing agency, prior to agreeing to the terms for the disposition of surplus land, to provide specified information about its disposition process to the Department of Housing and Community Development (HCD). HCD then has 30 days to review the information and submit written findings to the disposing agency if HCD determines the proposed land disposal will violate requirements of this new law. Violations would be subject to monetary penalties or enforcement action.

### *Notice of Availability/Offer to Sell Surplus Property*

Pursuant to SLA Section 54222 a Low and Moderate Income Housing Availability Notice (NOA) /Offer to Sell Surplus Property will be sent to certain public entities and housing sponsors that have notified HCD of their interest. Local agency conditions or restrictions must be reviewed by HCD, however, an agency may seek the appraised value. The Agency's Notice proposes to offer to sell the 829/235 Fulton Street property at its appraised value for development of affordable residential units as required by the SLA that may also include market rate units.

An interested entity must notify the Agency in writing within 60 days after the Agency's notice. If a timely notice of interest is received from a proper entity a negotiation period of no less than 90 days may begin at the end of the 60-day notice period. The negotiation process is under the purview of HCD. An entity proposing to use the surplus land for developing low and moderate income housing

shall agree to make available not less than 25 percent of the total number of units to lower income households with applicable covenants. Any proposed disposition and terms would be presented to the Council for consideration and approval.

If the Agency does not agree to price or terms with an entity to which a NOA was given or if no entity responds after the 60-day NOA period, the Agency may proceed with an RFP under the SLA provision. Any transfer or sale of the property shall contain a covenant that states, in the event 10 or more housing units are developed on the property in the next 45-55 years, that not less than 15 percent of the total number of residential units shall be sold or rented to lower income households.

## **ENVIRONMENTAL FINDINGS**

This is not a project for the purposes of CEQA.

## **LOCAL PREFERENCE**

Approval of this resolution is not subject to local preference.

## **FISCAL IMPACT**

There is no fiscal impact.

Attachments: Resolution