



CITY OF GLENDALE, CALIFORNIA REPORT TO THE SPECIAL CITY COUNCIL

AGENDA ITEM

Report: Declaration that ten (10) City-owned Parking Lots Qualify as “Exempt Surplus Land”, and further declaring that sixteen (16) additional parcels are Surplus Land pursuant to the Surplus Land Act (“SLA”)

1. Resolution finding and declaring ten (10) City-owned properties are exempt from the Surplus Land Act
2. Resolution declaring that sixteen (16) City-owned properties Surplus Land under the Surplus Land Act

COUNCIL ACTION

Item Type: Action Item

Approved for _____ **March 4, 2025** **calendar**

EXECUTIVE SUMMARY

As part of the 2023 budget study sessions, the City Council expressed interest in potentially leasing ten City-owned parking lots. As an initial step in this process, staff is recommending the City Council consider making findings in support of a “Small Surplus Land Parcel” exemption under the Surplus Land Act (“SLA”) for ten (10) surface parking lots. The SLA exemption process involves statutorily required noticing and the State’s Housing and Community Development (HCD) Department monitoring and enforcement to ensure SLA compliance; however, the property disposition would be exempt from other SLA requirements.

Currently sixteen (16) other City-owned parking lots do not qualify for SLA exemption and as surplus land would be subject to the full SLA requirements. Given the State’s increasingly active role in encouraging housing production, staff is recommending the City take a proactive approach regarding the characterization of these sites a surplus which will allow the SLA process for future utilization of these sites to proceed and ensure that current regulations are memorialized. It is important to note that approving the resolutions does not ensure that the properties would be subject to future Request for Proposals, development, or leasing. Council would need to issue several additional points of direction and approvals in the future, if that were to be the ultimate desire of the Council.

RECOMMENDATION

Adopt the resolution declaring certain City-owned properties Exempt Surplus Land and adopt the resolution declaring certain city-owned properties Surplus Land under the SLA and authorize submission of the resolutions to HCD for review.

ANALYSIS

BACKGROUND

During the 2023-24 budget review meetings the City Council directed staff to explore the potential for ground leasing and developing City-owned parking lots as part of a strategy to help balance future budgets and meet the City's affordable housing goals (Exhibit 1). In assessing the City properties staff identified zoning impediments that would prevent development. In other instances, the properties may be of inadequate size or market desirability to support development. Staff believed that ten to twelve of the parking lots have development potential and could generate revenue for the City. Based on Council direction, staff will return to the City Council with a full evaluation of individual sites, and seek direction on a preferred course of action regarding their disposition and development at a later meeting(s).

As an initial step in the potential future disposition process staff is recommending the City Council consider declarations determining certain properties exempt surplus land or surplus land under the SLA. The SLA promotes and prioritizes affordable housing when local agencies sell or lease public land. Government Code Section 54221(b)(1) requires that land must be declared either "surplus land" or "exempt surplus land", as supported by written findings, and obtain HCD approval, before a local agency may take any action to dispose of the properties consistent with an agency's policies or procedures.

Surplus land is defined as land owned in fee simple for which a local agency's governing body declares the land to be surplus and not necessary for a local agency's use. The SLA provides several exemptions for properties that meet certain criteria, the most relevant exemption applicable to the City parking lots are the "Small Surplus Land Parcel" and "Exempt Surplus Land for Affordable Housing" exemptions:

- Small Surplus Land Parcel: Property less than one-half acre (21,780 SF). If the property qualifies and HCD approves the City's resolution declaring the exemption, the disposition is only subject to certain noticing requirements and HCD monitoring and enforcement obligations, no other SLA requirements apply. This includes provisions for affordability and the process regarding disposition and development.

- **Exempt Surplus Land for Affordable Housing:** This exemption applies to sites between one to ten acres developed with a mixed-use project with a minimum 300 residential units of which at least 25% are restricted to lower-income households. The site may be comprised of one parcel or multiple adjacent or non-adjacent parcels. The City must follow its open competitive solicitation process or put the property out to open bid with a notice sent to the HCD, local governmental entities, and State-listed affordable housing sponsors. A covenant with the affordable requirements must be recorded. Besides these requirements, apart from certain noticing requirements and HCD monitoring and enforcement obligations, no other SLA requirements apply.

An exempt surplus determination allows the City to bypass certain SLA requirements involving SLA bid solicitation procedures (local requirements may apply), negotiating and documentation procedures, and prioritization of negotiations in situations with multiple interested parties which facilitates the entitlement and development process.

The SLA applies for any proposed sale or lease that is longer than 15 years including extensions or renewal options. Any lease that includes an option to purchase is considered a property disposition subject to the SLA.

City Parking Lots/Properties

The City currently owns numerous surface parking facilities located mainly downtown, near Glendale Community College, and in Montrose (Exhibit 2). Of these properties the following are potentially eligible for the “Small Surplus Land Parcel” exemption:

	LOCATION	ADDRESS	APN	SIZE (SF)
1)	Downtown Lot 2	303 N. Maryland	5643-019-900	20,375
2)	Downtown Lot 4	210 N. Maryland	5642-016-900	14,250
3)	Downtown Lot 7	300 E. Broadway	5642-004-913	7,500
4)	Downtown Lot 15	210 N. Orange	5642-015-902	7,750
5)	Montrose Lot 1	3727 Verdugo	5615-001-900	12,700
6)	Montrose Lot 2	2400 Honolulu	5615-002-900	11,590
7)	Montrose Lot 4	2326 Florencita	5807-024-900	14,350
8)	Montrose Lot 5	2366 Florencita	5807-023-900	3,730
9)	Montrose Lot 6	2310 Florencita	5807-024-901	7,748
10)		805 Fairmont*	5635-019-902	18,956

*Note- Site is an irregular shaped remnant from the Fairmont Avenue Overpass project and is developed with a 7,113 SF building.

The above-listed ten (10) properties qualify as “exempt surplus land” under Government Code Section 54221(f)(1)(B) because each property is less than one-half acre (21,780 SF) and are not contiguous to land owned by a State or local agency that is used for

open-space or low- and moderate-income housing purposes. A resolution has been prepared to declare the above-listed properties as exempt surplus land under the SLA, which with Council approval will be submitted to the HCD for review and approval.

With respect to the following six (6) properties, staff is recommending these parcels be declared surplus land, subject to the process for future disposition pursuant to the SLA statutes and Guidelines. At some future point, and based on direction from the City Council, staff could potentially prepare an exempt surplus declaration (Government Code Section 54221(f)(1)(G) (SLA Guidelines Section 103(c)(7)(B) for one or more of these parcels depending on whether the parcels qualify for the “Mixed-Use Development Affordable Housing” exempt surplus status where each parcel is between one to ten acres, and contingent upon development with a mixed-use project with at least 300 units and 25% restricted for lower-income households. Lacking specific proposals that meet this criterion, each of these parcels currently do not qualify as exempt and are surplus land.

	LOCATION	ADDRESS	APN	SIZE (SF)
1)	Orange Street Parking Lot	250 N. Orange	5642-015-900; 901; 904; 906 & 907	55,025
2)	GCC Lot 30	1251 N. Verdugo	5650-036-900	121,097
3)	GCC Lot 31	1325 N. Verdugo	5650-004-905 & 907	70,250
4)	Montrose Lot 3	2250 Florencita	5807-010-901 & 5807-009-900; 901; 904; 905 & 906	93,750
5)	Marketplace Garage	205 W. Harvard	5642-004-909; 908; 910; 906; 907 & 900	52,500
6)	Park & Ride	880 S. Fairmont	5635-019-900	87,120

The following ten (10) City-owned parking lots and garage either exceed one-half acre but are less than one acre, or are located within larger parcels that are used for other public purposes and thus would not be eligible for an SLA exemption, but can be declared as surplus:

	LOCATION	ADDRESS	APN	SIZE (SF)
1)	Downtown Lot 3	233 N. Maryland	5642-016-902 to 906	25,000
2)	Downtown Lot 6	310 N. Orange	5643-020-906	38,750
3)	Downtown Lot 11	122 E. Colorado	5641-003-90 (portion)	+/- 15,000
4)	Downtown Lot 10	102 E. Harvard	5642-015-902	+/- 23,500

5)	GCC Lot 32	1401 N. Verdugo	5650-002-901 & 5650-002-900 (portions)	N/A
6)	GCC Lot 33	1623 Cañada	5650-002-902 (portion)	N/A
7)	GCC Lot 34	1726 Cañada	5652-004-902 (portion)	N/A
8)	GCC Lot 35	1621 Cañada	5650-002-902 & 5650-002-901 (portions)	N/A
9)	Montrose Lot 7	1815 Broadview	5615-001-902	30,232
10)	Exchange Garage	115 N. Artsakh	5642-005-924	36,000

A local agency making an SLA exemption determination is required to support the determination with written findings and submit the resolution with the determination to HCD at least 30 days prior to disposition.

The first resolution makes the appropriate declaration and findings to support an exemption for the ten “Small Surplus Land Parcels” and if adopted will be forwarded to the HCD for review and approval. It should be noted that none of the total 26 properties listed above require issuance of a Notice of Availability for open space be sent (as required by SLA Guidelines Section 103(d)) to any park or recreation department of the city, county or regional park authority where the land is located because the land is not located within a coastal zone, is not adjacent to a historical unit of the State Parks System, is not listed on or determined by the State Office of Historic Preservation to be eligible for listing on, the National Register of Historic Places; and finally, the land is not located within the Lake Tahoe Region.

The second resolution declares the remaining sixteen (16) properties as “surplus land” subject to the Surplus Land Determination process set forth in SLA Statutes and Guidelines. After the determination and findings for the SLA surplus status are submitted, and if approved by the HCD, the City may move forward with its own solicitation process to seek proposals to develop the sites. A site could be developed with housing or non-housing development consistent with the City’s land use regulations.

If the City Council declares certain properties to be surplus land the City would be required to annually provide an inventory of all surplus land to the HCD no later than April 1st of each year. Prior to participating in negotiations to dispose of surplus land the City would be required to send a Notice of Availability (NOA) to the HCD and other housing entities, and if applicable, to park and recreation entities. The City would be prohibited from soliciting or accepting offers to purchase or develop surplus land until it first sends an NOA, and if responses are received to the NOA complete negotiations with those responding parties.

Staff's recommended pro-active approach towards the potential disposition of City parking lots provides the City with flexibility. The State has prioritized production of affordable housing and increasingly active in adopting legislation to increase housing production that restricts local autonomy. Recent examples include: (1) accessory dwelling units ("ADUs") that established mandatory requirements for cities to ministerially approve ADUs; (ii) AB 2097 which prohibits cities from imposing minimum parking requirements for projects within one-half mile of major transit stops; (iii) SB 9 (Urban Lot Splits) which mandates ministerial approval procedures for single-family zone lots to permit duplexes or subdividing a parcel into two; and (iv) density bonus legislation that allows developers to exceed local zoning standards if a certain share of units are designated affordable. Given the frequency of changes in legislation related to housing production, staff believes this is an opportunity to implement current regulations in the event they become more restrictive in the future or reduce local control on potential concepts or visions for the properties.

STAKEHOLDERS/OUTREACH

N/A

FISCAL IMPACT

There is no fiscal impact associated with this report.

ENVIRONMENTAL REVIEW (CEQA/NEPA)

The proposed resolution declaring the properties exempt surplus property is itself exempt from the California Environmental Quality Act (CEQA) because the requested action is for purposes of property characterization under the SLA for purposes of potential future disposition by sale or lease, and provides no entitlement or agreement to develop the properties. Based on these facts, it can be seen with certainty that there is no possibility that this activity may have a significant effect on the environment pursuant to CEQA Guidelines Section 15061(b)(3).

CAMPAIGN DISCLOSURE

This item is exempt from campaign disclosure requirements.

ALTERNATIVES TO STAFF RECOMMENDATION

1. Not adopt the resolutions. This would postpone considerations of developing the City-owned properties that could generate additional revenue and meet the City's housing goals.
2. Any other alternative not proposed by staff.

ADMINISTRATIVE ACTION

Submitted by:

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Approved by:

Roubik R. Golanian, P.E., City Manager

EXHIBITS/ATTACHMENTS

Exhibit 1- List of City Properties

Exhibit 2 -Property Location Maps