



**City Council Agenda Item
Staff Report**

CITY OF SAN BRUNO

DATE: December 8, 2020

TO: Honorable Mayor and Members of the City Council

FROM: Jovan D. Grogan, City Manager

PREPARED BY: Marc Zafferano, City Attorney
Pamela Wu, Acting Community and Economic Development Director

SUBJECT: Adopt Resolution Declaring Property Owned by the City of San Bruno in
The Crossing Development on Admiral Court as Surplus Land

BACKGROUND:

The Surplus Lands Act (“SLA”) in state law (Government Code section 54221), which was recently amended, requires that before a local agency such as the City takes any action to dispose of (sell or lease) property, it must declare the property to be either “surplus land” or “exempt surplus land”. Unless the surplus land is exempt, 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. The notice of availability must be given prior to the agency “participating in negotiations to dispose of the property”. An entity receiving notice from the agency has 60 days to notify the agency of its interest in purchasing the property, and the agency is required to negotiate in good faith for not less than 90 days with any entity that has responded. Notwithstanding the obligation to negotiate in good faith, the local agency is not required to sell or lease the property to the agency, or to do so for less than fair market value.

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

The SLA’s definition of “exempt surplus property” includes: property that is less than 5000 square feet; property that is transferred to another local, state or federal agency for that agency’s use; property exchanged for another property for that agency’s use; property put out to competitive bid for 100% affordable housing units or for 300 (or more) housing units, at least 25% of which must be affordable to lower income households; property that is subject to a valid legal restriction not imposed by the local agency that would prohibit housing (non-residential zoning is not a valid legal restriction); property that is too small for residential use; or is a former street or easement that is conveyed to an adjacent property owner; and property that is licensed or leased for one year or less.

ITEM 5.g.

DISCUSSION:

The property at issue is located at The Crossing on Admiral Court and consists of approximately 1.5 acres, and has been designated for development as a hotel (APN 020-013-250 and APN 020-013-260). However, development of that property as a hotel site has been unsuccessful. The City recently received an offer to purchase the site for use as an automobile dealership.

This property meets the definition of “surplus” property because it is not necessary for the City’s use as defined pursuant to the amended SLA. As the property is not “exempt” per the amended SLA, the City must first declare it surplus and provide the notices described above before engaging in negotiations with a potential buyer.

Attached is a resolution making the findings that the property is surplus land.

FISCAL IMPACT:

None by adopting the attached resolution.

ALTERNATIVES:

1. Request additional information before taking action to declare the property surplus.

RECOMMENDATION:

1. Adopt Resolution Declaring Property Owned by the City of San Bruno in The Crossing Development on Admiral Court as Surplus Land.

DISTRIBUTION:

None

ATTACHMENTS:

1. Resolution.

DATE PREPARED:

November 30, 2020

RESOLUTION NO. 2020-___

RESOLUTION DECLARING ONE VACANT 1.5-ACRE PROPERTY OWNED BY THE CITY OF SAN BRUNO LOCATED IN THE CROSSING DEVELOPMENT ON ADMIRAL COURT (APN 020-013-250 & 020-013-260) 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 either “surplus land” or “exempt 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, unless the surplus land is exempt, 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 San Bruno owns the subject property, a vacant 1.5-acre site in the Crossing Development on Admiral Court; and

WHEREAS, the City Council finds that the 1.5-acre vacant property is surplus land because it is not necessary for the City’s use.

NOW, THEREFORE, BE IT RESOLVED by the San Bruno City Council that the vacant, 1.5-acre property at The Crossing Development on Admiral Court as indicated above is declared surplus land and the City Council shall comply with state law regarding its disposition.

Dated: December 8, 2020

ATTEST:

Melissa Thurman, CMC
City Clerk

ATTACHMENT 1

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I, Melissa Thurman, City Clerk, do hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of San Bruno this 8th day of December 2020 by the following vote:

AYES: Councilmembers: _____

NOES: Councilmembers _____

ABSENT: Councilmembers _____