

R-39

October 5, 2021

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution declaring City-owned property located at 3917 Long Beach Boulevard (APN 7139-013-900) (Subject Property) as "surplus land" as defined in Government Code Section 54220 *et seq.*; and authorize the City Manager, or designee, to take any actions and execute any documents necessary to ensure compliance with the Surplus Land Act and State regulations relating thereto. (District 8)

DISCUSSION

The City is currently fee owner of the property located at 3917 Long Beach Boulevard (Subject Property) (Attachment A – Subject Property Map), which the City operated as Fire Station 9 from 1938 until July 2019 when continued water penetration and resulting active mold required permanent closure. The Subject Property is approximately 5,893 square feet and is improved with a 5,548-square-foot wood frame building that remains vacant.

In 2000, the first complaint was received about visible mold being located throughout the existing building at the Subject Property. Since that time, there have been various documented mold and health-related complaints about the Subject Property conditions and a number of investigations have taken place including mold, fungal, asbestos, lead-based paint, and indoor air quality assessments. As a result of these assessments, the City made several attempts to remediate the indoor environmental quality issues at the Subject Property; however, fungal/mold and water leakage issues persist leading the City to cease operations at the Subject Property and temporarily move the Fire Station No. 9 crew to 2019 East Wardlow Road while the design and construction of a permanent replacement station can occur at 4101 Long Beach Boulevard.

A Facility Condition Assessment, prepared by Faithful + Gould, Inc., was completed in December 2019 and found that the Subject Property is in poor condition and nearing the end of its useful or serviceable life. The following critical and potentially critical improvements were identified in the report to remediate the mold in the building, prevent further deterioration of structure, and return it to habitable conditions:

- Remove the existing roofing materials and install a new roof.
- Repair/replace the wood underlayment for the roof wherever dry rot or damage is present.
- Repair/replace roof drains and overflow drains and associated piping.

- Remove exterior wall penetrations that are no longer necessary or functional.
- Remove/replace windows and associated framing throughout the building.
- Install drainage structures around the exterior perimeter of the building, such as culverts or French drains.
- Remove/redesign/replace existing ground level vents providing air beneath the floor, to avoid stormwater intrusion.
- Remove wallboard and internal insulation throughout the interior of the building.
- Seal each exterior wall penetration on both the interior and exterior of the penetrations.
- Replace wood framing where damaged or where visible mold growth is present.
- Encapsulate the building frame elements.
- Replace insulation and interior walls.
- Remove and replace flooring throughout the interior of the building.
- Repair/replace subfloor and joists where damaged.
- Remove floor penetrations if no longer necessary or non-functional.
- Seal floor penetrations both above and below the floor.

Reuse of the Subject Property requires significant and costly modifications as well as interim maintenance and security measures resulting in an ongoing obligation to the General Fund Group. Given these considerations, staff recommend proceeding with the disposition of the Subject Property. Disposition of the Subject Property requires compliance with the Surplus Land Act (SLA) and would allow interested parties a potential opportunity to reactivate the Subject Property. Further, disposition would generate sales proceeds as well as property tax by returning the Subject Property to the tax rolls.

The SLA, as codified in Government Code Section 54220 *et seq.*, requires all public agencies to prioritize affordable housing as well as parks and open space when disposing of surplus land. Surplus land is land owned by a local agency that is determined to be no longer necessary for the agency's use. Recent changes to the SLA, through Assembly Bill (AB) 2135, (i) revise procedures for disposition by sale or lease of surplus land by local agencies, (ii) extend the good faith negotiation period with potential affordable housing developers to 90 days, (iii) deepen affordability requirements where an affordable housing project is developed on the site, and (iv) add a requirement that if negotiations with an affordable housing developer are unsuccessful, then any residential development on the surplus land over 10 units must make at least 15 percent of the units affordable. Further, AB 2135 no longer allows exceptions and requires local agencies to adopt a Resolution declaring property as either "surplus" or "exempt surplus" at a regular public meeting of the agency's governing body.

The Subject Property does not qualify as exempt under the SLA. The Subject Property is therefore considered to be non-exempt surplus land, as defined by the Government Code Section 54220 *et seq.* and it is recommended that the City Council, as the legislative body of the City, adopt a Resolution making this finding. Upon determination that the Subject Property is non-exempt surplus land, the procedures set forth in the SLA must be followed. Procedures applicable to surplus land require the City to issue a written notice of availability of the Subject Property to certain entities, for a period of 60 days, as follows:

- For the purposes of developing low- and moderate-income housing, a written notice of availability of surplus land must be sent to any “local public entity” as defined in Health and Safety Code Section 50079 within whose jurisdiction the surplus land is located and to “Housing Sponsors” that have notified the California Department of Housing and Community Development (HCD) of their interest in surplus land. Local public entities include the Long Beach Community Investment Company and the Housing Authority of the City of Long Beach.
- For open space purposes, a written notice of availability of surplus land must be sent to the Los Angeles County Department of Parks and Recreation, Los Angeles County Regional Park and Open Space District, the State Resources Agency, or any agency that may succeed to its powers.
- For the purpose of use by a school district for school facilities construction or open space purposes, a written notice of availability of the surplus land must be sent to the Long Beach Unified School District.

If the City receives a letter of interest from any of the above entities, the City would enter into concurrent good faith negotiations with all such entities for a period of 90 days. If terms cannot be agreed upon after 90 days (or if no entity gives notice of interest), the City may proceed with disposition of the Subject Property. However, any residential development on the Subject Property that contains 10 or more units must restrict 15 percent of the units for affordable housing. Any agreement for the sale of the Subject Property would be brought before the City Council for consideration. Staff have outlined the proposed process for soliciting a variety of other potential uses, including community uses and nonprofit or for-profit development, once obligations under the SLA are complete (Attachment B – Disposition of Former Fire Station 9 memorandum).

This matter was reviewed by Deputy City Attorney Richard F. Anthony on September 16, 2021 and by Budget Management Officer Rhutu Amin Gharib on September 15, 2021.

TIMING CONSIDERATIONS

City Council consideration of the Resolution is requested on October 5, 2021, to allow the City to implement actions necessary to comply with the SLA and continue the disposition process for the Subject Property.

FISCAL IMPACT

This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no fiscal or local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENT: RESOLUTION
A – SUBJECT PROPERTY MAP
B – DISPOSITION OF FORMER FIRE STATION 9 MEMORANDUM

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH TO DECLARE THE CITY-OWNED PROPERTY LOCATED AT 3917 LONG BEACH BOULEVARD, ASSESSOR PARCEL NUMBER 7139-013-900, AS "SURPLUS LAND" AS DEFINED IN GOVERNMENT CODE SECTION 54220 ET SEQ.; AND AUTHORIZE THE CITY MANAGER, OR DESIGNEE, TO TAKE ANY ACTIONS AND EXECUTE ANY DOCUMENTS NECESSARY TO ENSURE COMPLIANCE WITH THE SURPLUS LAND ACT AND STATE REGULATIONS RELATING THERETO

WHEREAS, the City is currently fee owner of the property located at 3917 Long Beach Boulevard ("Subject Property"), which operated as Fire Station 9 from 1938 until July 2019 when continued water penetration and resulting active mold required permanent closure; and

WHEREAS, maintenance, safety issues, cleanup and security measures required for a vacant building represent an ongoing obligation to the General Fund as well as a public safety concern; and

WHEREAS, to reactivate the Subject Property, generate sales proceeds, and generate property tax by returning the Subject Property to the tax rolls, staff recommends proceeding with the disposition of the Subject Property. Disposition of the Subject Property requires compliance with the Surplus Land Act (SLA); and

WHEREAS, an exemption under the Surplus Land Act is not available. The Subject Property is therefore considered to be non-exempt surplus land, as defined by the Government Code Section 54220 et seq. and it is recommended that the City Council, as the legislative body of the City, adopt a resolution making this finding;

1 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
2 follows:

3 Section 1. The City Manager is hereby authorized to declare the property
4 located at 3917 Long Beach Boulevard, Assessor Parcel Number 7139-013-900, as
5 surplus land and authorize the City Manager, or designee, to take any actions and execute
6 any documents necessary to ensure compliance with the Surplus Land Act and State
7 regulations relating thereto.

8 Section 2. This resolution shall take effect immediately upon its adoption
9 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

10 I hereby certify that the foregoing resolution was adopted by the City Council
11 of the City of Long Beach at its meeting of _____, 2021
12 by the following vote:

13
14 Ayes: Councilmembers: _____

15 _____

16 _____

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18 Noes: Councilmembers: _____

19 _____

20 Absent: Councilmembers: _____

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22 Recusal(s): Councilmembers: _____

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City Clerk

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EXHIBIT "A"

The Subject Property is situated in the State of California, County of Los Angeles, City of Long Beach, and is described as follows:

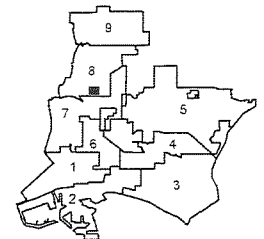
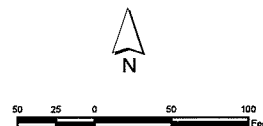
South 10 feet of Lot 4 and all of Lot 5 in Tract No. 4332 in the City of Long Beach, County of Los Angeles and State of California, as per map recorded in Book 48, Page 57 of Maps, in the office of the County Recorder of said County.

Street Address : 3917 Long Beach Boulevard, Long Beach, California





Subject Property:
3917 Long Beach Blvd
Council District : 8

Attachment A



Date: April 5, 2021

To: Thomas B. Modica, City Manager 

From: John Keisler, Director of Economic Development 

For: Mayor and Members of the City Council

Subject: **Disposition of Former Fire Station 9**

The purpose of this memorandum is to provide an update to the City Council regarding next steps for the former location of Fire Station 9, and to recommend next steps for community input and disposition.

Background

In memorandums dated [August 20, 2019](#), [January 27, 2020](#), and [July 6, 2020](#), staff provided the City Council with information regarding the relocation of apparatus and personnel from Fire Station 9, located at 3917 Long Beach Boulevard. Given concerns over water penetration into areas inhabited by Fire Department personnel, the history of active mold in the station, illnesses reported by crew members, and the extent of required repairs, Engine 9 was relocated to Fire Station 16 (2890 East Wardlow Road), while Rescue 9 was moved to Fire Station 13 (2475 Adriatic Avenue). These apparatuses, and their respective crews, operated out of these locations for approximately 14 months until a single site could be found to house both Rescue 9 and Engine 9.

On July 14, 2020, the City Council authorized Lease No. 35645 for 2019 East Wardlow Road to allow Fire Station 9 to operate out of this temporary location until a permanent replacement site could be purchased, entitled, and constructed. On August 11, 2020, the City Council authorized the purchase of 4101 Long Beach Boulevard as the permanent replacement site for Fire Station 9. The City took ownership of the replacement site on December 29, 2020, and the design process for the construction of a new Fire Station 9 facility is currently underway. The permanent replacement site will require its own entitlement and environmental review process.

Potential for Reuse of Former Fire Station 9 Site

The property located at 3917 Long Beach Boulevard is City-owned property and remains vacant. The site measures approximately 5,893 square feet and is improved with a 5,548-square-foot wood-frame building. The site had operated as Fire Station 9 from 1938 until July 2019 when continued water penetration and resulting active mold necessitated its permanent closure. Significant and costly modifications would be required to reuse the building without guarantees against health concerns returning at some point. As such, the site is being considered for an alternate use, which could include reuse or demolition and new construction.

In compliance with the California Environmental Quality Act (CEQA), an Environmental Impact Report (EIR) has been prepared and circulated for public review to evaluate options for reuse of the site. Due to the age and architecture of the building, the building appears to be eligible for designation as a Long Beach Historic Landmark and listing in the National Register of Historic

Places (NRHP) and California Register of Historic Resources (CRHR). Therefore, Fire Station 9 has been analyzed as a historic resource pursuant to CEQA.

The City began the environmental review process pursuant to CEQA by distributing a Notice of Preparation (NOP) of the EIR for a 30-day agency and public review period starting on November 12, 2019 and ending on December 12, 2019 (SCH No. 2019110206). The Draft EIR was made available for public review and comment for a 52-day period (45-days required) pursuant to CEQA Guidelines. The public review period for the Draft EIR started on July 10, 2020 and ended on August 31, 2020. The City received five comment letters on the Draft EIR.

A Final EIR must be prepared after public review of the Draft EIR and prior to certification of the EIR. In addition, the City will make findings for each of the significant effects identified in this EIR and will support the findings with substantial evidence in the record. After considering the Final EIR in conjunction with the findings pursuant to CEQA Guidelines Section 15091, the lead agency may decide whether or how to approve or carry out the project. In addition, when approving a project, public agencies must also adopt a Mitigation, Monitoring and Reporting Program describing the changes that were incorporated into the proposed project or made a condition of project approval to mitigate or avoid significant effects on the environment.

At this time, the Final EIR and responses to public comments are in draft form. Upon finalization of the Final EIR, the document will be circulated for review to commenters and the decision-making body. All agencies who commented on the Draft EIR will be provided with written responses at least 10 days before certification of the Final EIR, pursuant to CEQA Guidelines Section 15088(b). The Final EIR will also be posted on the City's website.

Upon certification of the EIR, a Notice of Determination (NOD) will be filed with the Los Angeles County Clerk-Recorder within five business days, which would start a 30-day statute of limitations for CEQA-based challenges.

Disposition Process

Given that the City no longer can use this property as a fire station, the City would commence with the disposition process. Real property no longer needed for current or future municipal purposes that does not directly benefit the community would be considered for disposition. The disposition process is intended to maximize the benefit to the community and is usually accomplished through either the Request for Proposals (RFP) process or competitive listing. The RFP process includes preparing the scope of the solicitation, 30-60 day circulation period, and a 60-day evaluation period before a selection is determined. Certification of the RFP and the selected respondent are both subject to City Council approval. A competitive listing is an open market competition whereby the City lists the property for sale with a licensed real estate broker. Through this competitive process, the fair market value is determined by formal offers submitted by potential buyers. The City would set the lower limit of what it will accept as a purchase price. Potential uses the City will consider include:

- Open space for passive recreation
- Community or recreational center
- Affordable housing
- Commercial (office, retail, services)

- Institutional (government, education, public safety, workforce development)
- Public benefit (community development, nonprofit or social services)
- Other uses, as identified through the disposition process

Surplus Land Act

Before either an RFP process or competitive listing can be pursued, the property must be surplus in compliance with State of California Government Code Section 54220, also known as the Surplus Land Act. The Surplus Land Act requires the availability of any surplus property to be noticed to various parties, including the State Resources Agency, local parks and housing authorities, and affordable housing entities registered with the Department of Housing and Community Development. Each entity noticed has 60 days to notify the City it wishes to negotiate a purchase, and the City must enter into good faith negotiations with the entity for a minimum of 90 days.

Should negotiations be successful, neither an RFP nor a competitive listing are needed, and the negotiated purchase/sale is presented to the City Council for review and approval. If negotiations are unsuccessful, the City either begins negotiations with the next requesting entity or releases an RFP. It is important to note that if negotiations are unsuccessful and an RFP is released, the City is required to record a covenant on the property requiring any housing development with more than 10 units on the property restrict a minimum of 15 percent of the units to low income households.

Equity Lens

Future uses of the property present opportunities to address issues of equity identified by the City Framework for Racial Reconciliation. For example, affordable housing may provide more options for underserved persons in Long Beach. The installation of nonprofit or social services could also increase the availability of resources to serve communities of color, low-to-moderate income individuals, and potentially other under-represented communities. Commercial activity could create additional job opportunities.

Next Steps

At this time, staff recommend that the City Manager proceed with notification of surplus property to required entities while the EIR is finalized and the development of an RFP. That work will begin in April and the community will be notified when an RFP is available for review.

Please contact John Keisler by phone 8-5282 or by email john.keisler@longbeach.gov with additional questions.

CC: CHARLES PARKIN, CITY ATTORNEY
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DEPARTMENT DIRECTORS