

EXEMPT SURPLUS LAND DECLARATION – 854 EAST 7TH STREET City Council Meeting—October 5, 2021



Surplus Land Act

Government Code Section 54220 et seq.

- **<u>Purpose</u>**: Intended to prioritize reuse of surplus land for affordable housing, parks, and schools.
- **<u>Application</u>**: All public land declared surplus.
- Notable AB2135 Amendments (effective January 1, 2020):
 - ✓ Expands definition of a local agency to include agencies not previously subject to the SLA.
 - \checkmark Clarifies disposition to include leasing and not just sales.
 - ✓ Clarifies local agency use does not include commercial or industrial uses, including nongovernmental retail, entertainment, or office development.
 - ✓ No longer allows exceptions but expands exemptions available (i.e. size, affordability).
 - ✓ Requires City Council action to declare a property "surplus" or "exempt surplus" prior to disposition.
 - Requires written notice of availability to State of California Department of Housing and Community Development as well as housing sponsors.
 - ✓ Requires local agency to submit process to HCD for compliance verification, does include a 60-day cure period if noticed of violation.

Economic Development

✓ Imposes penalties if property disposition found in violation of SLA.

Long Beach Armory

Project History

- Location: 854 East 7th Street.
- <u>Ownership</u>: City gained ownership through deed reversion once California Army National Guard ceased use as the Long Beach Armory.
- <u>Request for Proposal</u>: Released for long-term lease and selected sole respondent, Gundry Partners, LP dba Howard CDM.
- Proposed Development: 100% affordable housing development, adaptive reuse of the Armory building and improvements to Gumbiner Park. Contemplates sale instead of lease.
- <u>Negotiations</u>: Paused until City could confirm process and exemption available with HCD.





Surplus Land Act Exemption

 Government Code Section 54221(f)(1)(A) allows the property to be declared "exempt surplus" if the project meets certain requirements:



Not less than 80% of building area will be used for housing.



Current building area is 72,710 sf; proposed residential area is 62,200 sf, or 85%.



No less than 40% of total number of housing units (26 units) will be affordable to lower income households and half of said 40% (13 units) must be affordable to very low income. 63 units, or 98%, of the total 64 units will be available to lower income household and at least 13 units, or 20%, must be very low income households.

Recorded regulatory agreement providing for above stated minimum standard run with the land for 55 years.



A regulatory agreement will be recorded.





3

Adopt resolution declaring 854 E. 7th Street "Exempt Surplus" Property. Submit resolution and regulatory agreement to HCD for compliance verification.

Restart negotiations.

Bring agreement to City Council for consideration.



Recommend the City Council:

 Adopt a Resolution declaring City-owned property located at 854 East 7th Street (APN 7274-019-900) (Subject Property) as "exempt surplus land" as defined in Government Code Section 54221(f)(1)(A); 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.

