



Legislation Text

File #: 21-1029, **Version:** 1

Recommendation to adopt 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 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)

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.

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.

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.

Approve recommendation.

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JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER