



## Legislation Text

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**File #:** 22-0894, **Version:** 1

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Recommendation to adopt resolution declaring City-owned property located at 6845 Atlantic Avenue (APN 7116-019-907) (Subject Property) as “exempt surplus land” as defined in Government Code Section 54221(f)(1)(A); 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 9)

The City of Long Beach (City) is a fee owner of property located at 6845 Atlantic Avenue (Subject Property) (Attachment A). The Subject Property consists of approximately 97,282 square feet and is improved with a former liquor storefront, a warehouse and the Atlantic Bridge Community, which is operated by the City’s Health and Human Services Department to house people experiencing homelessness. The City was approached by the adjacent property owner, who proposed combining the Subject Property with their adjacent property for the development of a large affordable housing/homeless services campus, including the continued operation of the ABC Shelter. As the proposal furthers the development of affordable housing units, staff recommends executing an Exclusive Negotiating Agreement (ENA) with the adjacent property owner to determine whether the proposal can be made viable and negotiate terms and conditions of an agreement. However, prior to entering into any agreement for the Subject Property, the City must first comply with the Surplus Land Act (SLA).

The SLA, as codified in Government Code Section 54220 et seq., requires all 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 ten 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 “surplus” or “exempt surplus” as supported by findings at a regular public meeting of the agency's governing body.

The proposal provided by the adjacent owner combines each owner’s respective properties to develop a large affordably housing/homeless services campus. The disposition of the Subject Property would further the goals of the City as well as the SLA, which defines “exempt surplus land” to include land transferred Pursuant to Government Code Section 37364. Subject to certain conditions including affordability and building area, Section 37364 authorizes the City

to dispose of the Subject Property to provide affordable housing to persons and families of low or moderate income. The City considers the Subject Property to be exempt surplus land, as defined by Government Code Section 54221(f)(1)(A), and the City Council, as the legislative body of the City, make the following findings related to the Subject Property:

- A proposal for the Subject Property has been submitted by the adjacent property owner with significant affordable housing development experience, and it is anticipated that an Exclusive Negotiating Agreement will be executed between the City and the adjacent property owner. It is expected that the Subject Property will be combined with the adjacent property owner's property for the development of a large affordable housing / homeless services campus. The disposition of the exempt surplus land is in the City's best interest to provide affordable housing.
- The Subject Property consists of 97,282 square feet of building area. Future development on the Subject Property shall consist of at least 82,195 square feet of housing building area. Therefore, in accordance with Government Code Section 37364 (b), not less than 80 percent of the area of the Subject Property will be used for the development of housing. Such ratio shall not decrease during the development of the Subject Property.
- Residential units on the Subject Property will be deed restricted such that they will be made available only to lower-income households and very low-income households. In accordance with Government Code Section 37364(c), no less than 40 percent (40%) of the total number of developed housing units will be affordable to lower-income households, and half of such 40 percent (40%) shall be affordable to very low-income households.
- The Subject Property will be subject to a recorded regulatory agreement which provides that, for 55 years after the issuance of a certificate of occupancy, the residential units may be rented only to persons or households of low or very low-income, and such agreement shall run with the Subject Property and be binding upon all future owners, in satisfaction of the requirements of Government Code Section 37364(d).

This matter was reviewed by Principal Deputy City Attorney Richard F. Anthony on July 15, 2022, and by Budget Operations and Development Officer Rhutu Amin Gharib on July 12, 2022.

City Council action is requested on August 2, 2022, to allow the City to implement actions necessary to comply with the SLA and continue the ENA and disposition processes 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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JOHNNY M. VALLEJO  
ACTING DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA  
CITY MANAGER